

Joint Committee on Ways and Means

Carrier – House: Rep. Nathanson  
Carrier – Senate: Sen. Bates

**Revenue:** Revenue statement issued

**Fiscal:** Fiscal statement issued

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**Action:** Do Pass the A-Engrossed Measure as Amended and as Printed B-Engrossed

**Vote:** 17 – 7 – 3

House

Yeas: Barker, Buckley, Frederick, Huffman, Jenson, Komp, Nathanson, Read, Smith, Tomei, Williamson

Nays: McLane, Richardson

Exc: Freeman, Hanna

Senate

Yeas: Bates, Devlin, Edwards, Monroe, Steiner Hayward, President Courtney

Nays: Girod, Hansell, Thomsen, Whitsett, Winters

Exc: Johnson

**Prepared By:** Linda Ames and Laurie Byerly, Legislative Fiscal Office

**Meeting Date:** May 10, 2013

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**WHAT THE MEASURE DOES** Extends collection of hospital assessment through 2015. Requires creation of hospital performance metrics advisory committee. Directs Oregon Health Authority (OHA) to adopt by rule procedures for performance payouts. Allows OHA to reduce assessment if federal limits on assessments are reduced. Allows assessment funds to be used to fund Medicaid (Oregon Health Plan) and Children’s Health Insurance Programs. Requires that one percent of assessment is appropriated for performance pool. Requires OHA to apply for federal financial participation. Makes conforming changes. Takes effect on 91<sup>st</sup> day following adjournment sine die.

**ISSUES DISCUSSED:**

- Proposed amendment
- Fiscal impact
- Possibility of repurposing capacity for other uses

**EFFECT OF COMMITTEE AMENDMENT:** Combines language from HB 2056 into HB 2216. Extends long term care facility assessment through June 30, 2020, with some changes to rebasing timelines and facility exemptions. Authorizes Department of Human Services (DHS) take steps to reduce long term care facility bed capacity statewide by 1,500 beds by December 31, 2015. Establishes procedures for long term care facility to purchase bed capacity of another facility. Declares legislative intent to exempt activities from state antitrust laws and provide immunity from federal antitrust laws. Requires Director of DHS engage in regional planning to promote safety and dignity of long term care facility residents. Sets schedule of reduced reimbursement rates for failure to meet reduction goals. Requires Director of DHS to engage in regional planning to promote safety and dignity of long term care facility residents. Sets schedule of reduced reimbursement rates for failure to meet reduction goals.

**BACKGROUND:** The hospital assessment is a revenue stream created by the Legislature in 2003 to finance Medicaid (Oregon Health Plan) services and which is set to expire in 2013. House Bill 2216 extends the hospital assessment for two more years. The bill also appropriates an additional one percent of the hospital assessment for a hospital transformation and performance fund. Much of the savings anticipated by the transformation to coordinated care organizations will come from reduced utilization of hospital services. The fund will assist hospitals and their staff in the transition to reduce hospital utilization and improve client outcomes.

In 2003, House Bill 2747 required long term care facilities to pay an assessment to the state. The rate of the assessment is based on the number of days all residents stay in the facility. These revenues are intended to increase nursing facility Medicaid reimbursement rates and improve the financial stability of the nursing home industry. The amendment extends the assessment through June 30, 2020 and requires Department of Human Services to take steps to reduce overall bed capacity in the state by 1,500 beds by December 31, 2015.