

House Bill 2395

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Extends hospital assessment from September 30, 2015, to September 30, 2017.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to state medical assistance program funding; amending sections 2, 10, 12, 13 and 14, chapter
3 736, Oregon Laws 2003, and section 25, chapter 608, Oregon Laws 2013; and declaring an
4 emergency.

Be It Enacted by the People of the State of Oregon:

5
6 **SECTION 1.** Section 2, chapter 736, Oregon Laws 2003, as amended by section 1, chapter 780,
7 Oregon Laws 2007, section 51, chapter 828, Oregon Laws 2009, section 17, chapter 867, Oregon Laws
8 2009, and section 2, chapter 608, Oregon Laws 2013, is amended to read:

9 **Sec. 2.** (1) An assessment is imposed on the net revenue of each hospital in this state that is
10 not a waived hospital. The assessment shall be imposed at a rate determined by the Director of
11 the Oregon Health Authority by rule that is the director's best estimate of the rate needed to fund
12 the services and costs identified in section 9, chapter 736, Oregon Laws 2003. The rate of assessment
13 shall be imposed on the net revenue of each hospital subject to assessment. The director shall con-
14 sult with representatives of hospitals before setting the assessment.

15 (2) The assessment shall be reported on a form prescribed by the Oregon Health Authority and
16 shall contain the information required to be reported by the authority. The assessment form shall
17 be filed with the authority on or before the 75th day following the end of the calendar quarter for
18 which the assessment is being reported. Except as provided in subsection (6) of this section, the
19 hospital shall pay the assessment at the time the hospital files the assessment report. The payment
20 shall accompany the report.

21 (3)(a) To the extent permitted by federal law, aggregate assessments imposed under this section
22 may not exceed the total of the following amounts received by the hospitals that are reimbursed by
23 Medicare based on diagnostic related groups:

24 (A) 30 percent of payments made to the hospitals on a fee-for-service basis by the authority for
25 inpatient hospital services;

26 (B) 41 percent of payments made to the hospitals on a fee-for-service basis by the authority for
27 outpatient hospital services; and

28 (C) Payments made to the hospitals using a payment methodology established by the authority
29 that advances the goals of the Oregon Integrated and Coordinated Health Care Delivery System
30 described in ORS 414.620 (3).

31 (b) Notwithstanding paragraph (a) of this subsection, aggregate assessments imposed for the

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 biennium beginning July 1, [2013] **2015**, may exceed the total of the amounts described in paragraph
 2 (a) of this subsection to the extent necessary to compensate for any reduction of funding in the
 3 legislatively adopted budget for that biennium for hospital services under ORS [414.705 to 414.750]
 4 **414.631, 414.651 and 414.688 to 414.745**.

5 (4) Notwithstanding subsection (3) of this section, a hospital is not guaranteed that any addi-
 6 tional moneys paid to the hospital in the form of payments for services shall equal or exceed the
 7 amount of the assessment paid by the hospital.

8 (5) Hospitals operated by the United States Department of Veterans Affairs and pediatric spe-
 9 cialty hospitals providing care to children at no charge are exempt from the assessment imposed
 10 under this section.

11 (6)(a) The authority shall develop a schedule for collection of the assessment for the calendar
 12 quarter ending September 30, [2015] **2017**, that will result in the collection occurring between De-
 13 cember 15, [2015] **2017**, and the time all Medicaid cost settlements are finalized for that calendar
 14 quarter.

15 (b) The authority shall prescribe by rule criteria for late payment of assessments.

16 **SECTION 2.** Section 10, chapter 736, Oregon Laws 2003, as amended by section 3, chapter 780,
 17 Oregon Laws 2007, section 20, chapter 867, Oregon Laws 2009, and section 8, chapter 608, Oregon
 18 Laws 2013, is amended to read:

19 **Sec. 10.** Sections 1 to 9, chapter 736, Oregon Laws 2003, apply to net revenues earned by hos-
 20 pitals during a period beginning October 1, 2013, and ending the earlier of September 30, [2015]
 21 **2017**, or the date on which the assessment no longer qualifies for federal financial participation un-
 22 der Title XIX or XXI of the Social Security Act.

23 **SECTION 3.** Section 12, chapter 736, Oregon Laws 2003, as amended by section 4, chapter 780,
 24 Oregon Laws 2007, section 21, chapter 867, Oregon Laws 2009, and section 9, chapter 608, Oregon
 25 Laws 2013, is amended to read:

26 **Sec. 12.** Sections 1 to 9, chapter 736, Oregon Laws 2003, and section 1, chapter 608, Oregon
 27 Laws 2013, are repealed on January 2, [2017] **2019**.

28 **SECTION 4.** Section 13, chapter 736, Oregon Laws 2003, as amended by section 5, chapter 780,
 29 Oregon Laws 2007, section 22, chapter 867, Oregon Laws 2009, and section 10, chapter 608, Oregon
 30 Laws 2013, is amended to read:

31 **Sec. 13.** Nothing in the repeal of sections 1 to 9, chapter 736, Oregon Laws 2003, and section
 32 1, chapter 608, Oregon Laws 2013, by section 12, chapter 736, Oregon Laws 2003, affects the impo-
 33 sition and collection of a hospital assessment under sections 1 to 9, chapter 736, Oregon Laws 2003,
 34 for a calendar quarter beginning before September 30, [2015] **2017**.

35 **SECTION 5.** Section 14, chapter 736, Oregon Laws 2003, as amended by section 6, chapter 780,
 36 Oregon Laws 2007, and section 23, chapter 867, Oregon Laws 2009, is amended to read:

37 **Sec. 14.** Any moneys remaining in the Hospital Quality Assurance Fund on December 31,
 38 [2017] **2019**, are transferred to the General Fund.

39 **SECTION 6.** Section 25, chapter 608, Oregon Laws 2013, is amended to read:

40 **Sec. 25.** [(1) Section 1 of this 2013 Act and the amendments to ORS 414.746 and sections 2, 3, 6,
 41 7, 8, 9, 10, 12 and 13, chapter 736, Oregon Laws 2003, by sections 2 to 11 of this 2013 Act become
 42 operative on the date that the Director of the Oregon Health Authority notifies the Legislative Counsel
 43 that the director received federal approval as described in section 13 of this 2013 Act.]

44 [(2)] The repeal of ORS 414.746 by section 12, **chapter 608, Oregon Laws 2013**, [of this 2013
 45 Act] becomes operative April 1, 2014.

1 **SECTION 7. This 2015 Act being necessary for the immediate preservation of the public**
2 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
3 **on its passage.**

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