

New Exemption Created in Section 1 - Two ways to qualify

(Must annually apply to county assessor per ORS 307.162)

Qualification Option 1

Real or personal property is occupied or used to provide:

- Health services, or
- Administrative services necessary to provide the health services, and
- The Oregon Health Authority has issued to the hospital or health system a certification - see Section 3(3)
 - Obtaining a certificate
 - Hospital or health system had total expenditures for community benefits in an amount \geq 5% of gross receipts of hospital or health system, or
 - Hospital or health system had good cause for spending $<$ 5% of gross receipts (per OHA adopted criteria)

Qualification Option 2

Type A hospital property

- A type A hospital, which is a small and remote hospital that has 50 or fewer beds and is more than 30 miles from another acute inpatient care facility

Rural critical access hospital property

- “Rural critical access hospital” means a facility that meets the criteria set forth in 42 U.S.C. 1395i-4 (c)(2)(B) and that has been designated a critical access hospital by the Office of Rural Health and the Oregon Health Authority.

Other Changes in Measure

- Eliminates from statutory definition of “community benefit”: Losses related to Medicaid, Medicare, State Children’s Health Insurance Program or other publicly funded health care program shortfalls
- Modifies community benefit report required to be submitted by hospital or health system to Oregon Health Authority and required report to include:
 - Gross receipts of the hospital or health system
 - Description of the community benefits provided by the hospital or health system, and
 - Expenditures of the hospital or health system on the reported community benefits
- Eliminates requirement of type A hospitals and rural critical access hospitals to submit community benefit report to Oregon Health Authority
- Eliminates requirement of Oregon Health Authority to produce annual community benefit report submitted to the Governor, President of the Senate and the Speaker of the House and presented to Legislative Assembly during each odd-numbered year and made available to the public.
- Removes from qualifying for property tax exemption under ORS 307.130, property of a hospital or health system that is eligible for exemption from taxation under new Section 1 exemption
- Measure makes a series of conforming and non-substantive statutory structural changes
- New Section 1 exemption and changes to property tax statutes effective beginning with 2017-18 property tax year
- Changes to community benefit definitions and reporting, and qualification for certificate become operative on January 1, 2018