

D R A F T

SUMMARY

Extends sunset on long term care facility assessment to 2026. Removes limitation on penalties imposed on long term care facilities for failing to file reports or pay assessments. Authorizes Department of Human Services to adopt separate reimbursement methodology for patients with complex medical needs. Repeals provisions authorizing increased reimbursement for decreases in bed capacity. Reduces reimbursement of long term care facility costs to 62nd percentile of rebased allowable costs.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to long term care facility assessment; creating new provisions;
3 amending sections 19, 23, 24 and 31, chapter 736, Oregon Laws 2003; re-
4 pealing section 26, chapter 608, Oregon Laws 2013; and declaring an
5 emergency.

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

7 **SECTION 1.** Section 19, chapter 736, Oregon Laws 2003, is amended to
8 read:

9 **Sec. 19.** (1) A long term care facility that fails to file a report or pay an
10 assessment under section 16, [*of this 2003 Act*] **chapter 736, Oregon Laws**
11 **2003**, by the date the report or payment is due shall be subject to a penalty
12 of \$500 per day of delinquency. [*The total amount of penalties imposed under*
13 *this section for each reporting period may not exceed five percent of the as-*
14 *essment for the reporting period for which penalties are being imposed.*]

15 (2) Penalties imposed under this section shall be collected by the De-
16 partment of Human Services and deposited in the Department of Human
17 Services Account established under ORS 409.060.

1 (3) Penalties paid under this section are in addition to and not in lieu of
2 the assessment imposed under section 16, [*of this 2003 Act*] **chapter 736,**
3 **Oregon Laws 2003.**

4 **SECTION 2.** Section 23, chapter 736, Oregon Laws 2003, as amended by
5 section 8, chapter 757, Oregon Laws 2005, section 11, chapter 780, Oregon
6 Laws 2007, and section 19, chapter 608, Oregon Laws 2013, is amended to
7 read:

8 **Sec. 23.** Sections 15 to 22, chapter 736, Oregon Laws 2003, apply to long
9 term care facility assessments imposed in calendar quarters beginning on or
10 after November 26, 2003, and before July 1, [*2020*] **2026.**

11 **SECTION 3.** Section 31, chapter 736, Oregon Laws 2003, as amended by
12 section 9, chapter 757, Oregon Laws 2005, section 14, chapter 780, Oregon
13 Laws 2007, section 49, chapter 11, Oregon Laws 2009, and section 21, chapter
14 608, Oregon Laws 2013, is amended to read:

15 **Sec. 31.** Sections 15 to 22, 24 and 29, chapter 736, Oregon Laws 2003, are
16 repealed on January 2, [*2021*] **2028.**

17 **SECTION 4.** Section 24, chapter 736, Oregon Laws 2003, as amended by
18 section 11, chapter 757, Oregon Laws 2005, section 12, chapter 780, Oregon
19 Laws 2007, and sections 20 and 24, chapter 608, Oregon Laws 2013, is
20 amended to read:

21 **Sec. 24.** (1) The Long Term Care Facility Quality Assurance Fund is es-
22 tablished in the State Treasury, separate and distinct from the General Fund.
23 Interest earned by the Long Term Care Facility Quality Assurance Fund
24 shall be credited to the fund.

25 (2) Amounts in the Long Term Care Facility Quality Assurance Fund are
26 continuously appropriated to the Department of Human Services for the
27 purposes of paying refunds due under section 20, chapter 736, Oregon Laws
28 2003, and funding long term care facilities, as defined in section 15, chapter
29 736, Oregon Laws 2003, that are a part of the Oregon Medicaid reimburse-
30 ment system.

31 (3) Funds in the Long Term Care Facility Quality Assurance Fund and

1 the matching federal financial participation under Title XIX of the Social
2 Security Act may be used to fund Medicaid-certified long term care facilities
3 using only the reimbursement methodology described in subsection (4) of this
4 section to achieve a rate of reimbursement greater than the rate in effect
5 on June 30, 2003.

6 (4)(a) *[The reimbursement methodology used to make additional payments*
7 *to Medicaid-certified long term care facilities includes but is not limited to]*
8 **The department shall make additional payments to Medicaid-certified**
9 **long term care facilities using a reimbursement methodology that in-**
10 **cludes, but is not limited to, all of the following:**

11 [(a)] (A) Rebasing on July 1 of each year;

12 [(b)] (B) Continuing the use of the pediatric rate;

13 [(c)] (C) Continuing the use of the complex medical needs additional
14 payment; and

15 [(d)] (D) Discontinuing the use of the relationship percentage, except
16 when calculating the pediatric rate in *[paragraph (b) of this subsection]*
17 **subparagraph (B) of this paragraph.**

18 [(5)(a) *The department shall reimburse costs using the methodology de-*
19 *scribed in subsection (4) of this section at a rate not lower than a percentile*
20 *of allowable costs for the period for which the reimbursement is made.]*

21 (b) **In addition to the reimbursement methodology described in**
22 **paragraph (a) of this subsection, the department may adopt and im-**
23 **plement rates applicable to patients with complex medical needs for**
24 **which the reimbursement methodology described in paragraph (a) of**
25 **this subsection is insufficient.**

26 (5) For the period beginning July 1, [2013] **2018**, and ending June 30,
27 [2016] **2026**, the department shall reimburse costs at a rate not lower than
28 the [63rd] **62nd** percentile of rebased allowable costs for that period.

29 [(c) *For each three-month period beginning on or after July 1, 2016, in*
30 *which the reduction in bed capacity in Medicaid-certified long term care fa-*
31 *cilities is less than 1,500 in bed capacity statewide that existed on the effective*

1 *date of this 2013 Act, the department shall reimburse costs at a rate not lower*
2 *than the percentile of allowable costs according to the following schedule:]*

3 *[(A) 62nd percentile for a reduction of 1,350 or more beds.]*

4 *[(B) 61st percentile for a reduction of 1,200 or more beds but less than 1,350*
5 *beds.]*

6 *[(C) 60th percentile for a reduction of 1,050 or more beds but less than 1,200*
7 *beds.]*

8 *[(D) 59th percentile for a reduction of 900 or more beds but less than 1,050*
9 *beds.]*

10 *[(E) 58th percentile for a reduction of 750 or more beds but less than 900*
11 *beds.]*

12 *[(F) 57th percentile for a reduction of 600 or more beds but less than 750*
13 *beds.]*

14 *[(G) 56th percentile for a reduction of 450 or more beds but less than 600*
15 *beds.]*

16 *[(H) 55th percentile for a reduction of 300 or more beds but less than 450*
17 *beds.]*

18 *[(I) 54th percentile for a reduction of 150 or more beds but less than 300*
19 *beds.]*

20 *[(J) 53rd percentile for a reduction of 1 to 149 beds.]*

21 *[(6) A reduction in the percentile ceiling of allowable costs reimbursed un-*
22 *der subsection (5) of this section is not subject to ORS 410.555.]*

23 **SECTION 5. Section 26, chapter 608, Oregon Laws 2013, is repealed.**

24 **SECTION 6. The amendments to sections 19, 23, 24 and 31, chapter**
25 **736, Oregon Laws 2003, by sections 1 to 4 of this 2018 Act and the repeal**
26 **of section 26, chapter 608, Oregon Laws 2013, by section 5 of this 2018**
27 **Act become operative July 1, 2018.**

28 **SECTION 7. This 2018 Act being necessary for the immediate pres-**
29 **ervation of the public peace, health and safety, an emergency is de-**
30 **clared to exist, and this 2018 Act takes effect on its passage.**

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