



Oregon

Kate Brown, Governor

Department of Human Services

Aging and People with Disabilities

500 Summer St. NE, E-02

Salem, OR 97301

Voice: 503-947-5476

Fax: 503-373-7823

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Chair Mark Hass
Senate Committee on Finance and Revenue
Oregon State Capitol
900 Court Street NE
Salem, OR 97301-4048

Dear Chair Hass:

Thank you for the opportunity to testify on HB 4162A. The nursing facility provider assessment has been in place since 2003. Currently, the assessment is scheduled to sunset on June 30, 2020.

HB 4162A does three main things:

First, it reauthorizes the nursing facility provider assessment through June 30, 2026. There is no revenue impact associated with this extension in the 2017-2019 biennium. In the 2019-2021 biennium, this extension is estimated to generate approximately \$72M in revenue that will offset state general fund needs.

Second, the bill establishes the Medicaid nursing facility reimbursement rate at the 62nd percentile of allowable costs. This represents status quo conditions as this is the rate that will be in effect as of July 1, 2018.

Finally, it removes the five percent limit on late fees when nursing facilities do not pay within 30 days. It simply assesses a late fee of \$500 per day.

The nursing facility assessment has been a key tool in funding long term care in nursing facilities since 2003. Since inception, the assessment has generated nearly \$700M in revenue that has offset the need for additional general fund. These funds have leveraged over \$1.2B in federal funds.

"Assisting People to Become Independent, Healthy and Safe"

I am happy to address any questions you may have.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mike McCormick', with a stylized star or flourish at the end.

Mike McCormick, Deputy Director
Aging and People with Disabilities Program
Department of Human Services