House Bill 4146

Sponsored by Representatives HAYDEN, PARRISH (Presession filed.)

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.

Transfers $7 million from Tobacco Master Settlement Agreement to Health System Fund to pay for Oregon Reinsurance Program.

Increases taxes on cigarettes.

Imposes assessment on ambulatory surgical centers and emergency ambulance services to be used for medical assistance program. Modifies hospital assessment and requires Oregon Health Authority to take specified actions with respect to medical assistance program.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to health; creating new provisions; amending ORS 323.031 and 323.457 and sections 1, 2, 9 and 10, chapter 736, Oregon Laws 2003; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

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

FUNDING FOR OREGON REINSURANCE PROGRAM

SECTION 1. From the unexpended tobacco Master Settlement Agreement funds available to the state for the biennium ending June 30, 2019, $7 million shall be transferred to the Health System Fund established by section 2, chapter 538, Oregon Laws 2017, to carry out the Oregon Reinsurance Program established in section 18, chapter 538, Oregon Laws 2017.

FUNDING FOR MEDICAL ASSISTANCE

(Increase in Cigarette Tax)

SECTION 2. (1) In addition to and not in lieu of any other tax, for the privilege of holding or storing cigarettes for sale, use or consumption, a floor tax is imposed upon every dealer at the rate of ________ mills for each cigarette in the possession of or under the control of the dealer in this state at 12:01 a.m. on January 1, 2019.

(2) The tax imposed by this section is due and payable on or before January 20, 2019. Any amount of tax that is not paid within the time required shall bear interest at the rate established under ORS 305.220 per month, or fraction of a month, from the date on which the tax is due to be paid, until paid.

(3) By January 20, 2019, every dealer must file a report with the Department of Revenue in such form as the department may prescribe. The report must state the number of cigarettes in the possession of or under the control of the dealer in this state at 12:01 a.m. on January 1, 2019, and the amount of tax due. Each report must be accompanied by a remit-

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.

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tance payable to the department for the amount of tax due.

(4) As used in this section, “dealer” has the meaning given that term in ORS 323.010.

SECTION 3. Notwithstanding ORS 323.030 (3), for the privilege of distributing cigarettes as a distributor, as defined in ORS 323.015, and for holding or storing cigarettes for sale, use or consumption, a floor tax and cigarette adjustment indicia tax is imposed upon every distributor in the amount of $_____ for each Oregon cigarette tax stamp bearing the designation “25,” and in the amount of $_____ for each Oregon cigarette tax stamp bearing the designation “20,” that is affixed to any package of cigarettes in the possession of or under the control of the distributor at 12:01 a.m. on January 1, 2019.

SECTION 4. (1) Every distributor, as defined in ORS 323.015, must take an inventory as of 12:01 a.m. on January 1, 2019, of all packages of cigarettes to which are affixed Oregon cigarette tax stamps and of all unaffixed Oregon cigarette tax stamps in the possession of or under the control of the distributor.

(2) Every distributor must file a report with the Department of Revenue by January 20, 2019, in such form as the department may prescribe, showing:

(a) The number of Oregon cigarette tax stamps, with the designations of the stamps, that were affixed to packages of cigarettes in the possession of or under the control of the distributor at 12:01 a.m. on January 1, 2019; and

(b) The number of unaffixed Oregon cigarette tax stamps, with the designations of the stamps, that were in the possession of or under the control of the distributor at 12:01 a.m. on January 1, 2019.

(3) The amount of tax required to be paid with respect to the affixed Oregon cigarette tax stamps shall be computed pursuant to section 3 of this 2018 Act and remitted with the distributor’s report. Any amount of tax not paid within the time specified for the filing of the report shall bear interest at the rate established under ORS 305.220 per month, or fraction of a month, from the due date of the report until paid.

SECTION 5. ORS 323.031 is amended to read:

323.031. (1) [Notwithstanding ORS 323.030 (2) and] In addition to and not in lieu of any other tax, every distributor shall pay a tax upon distributions of cigarettes at the rate of [30] _______ mills for the distribution of each cigarette in this state.

(2) Any cigarette for which a tax has once been imposed under ORS 323.005 to 323.482 may not be subject upon a subsequent distribution to the taxes imposed by ORS 323.005 to 323.482.

SECTION 6. ORS 323.457 is amended to read:

323.457. (1) Moneys received under ORS 323.031 shall be paid over to the State Treasurer to be held in a suspense account established under ORS 293.445. After the payment of refunds:

(a) [29.37/30] _______ of the moneys shall be credited to the Oregon Health Authority Fund established under ORS [414.109] 413.101;

(b) [0.14/30] _______ of the moneys are continuously appropriated to the Oregon Department of Administrative Services for distribution to the cities of this state;

(c) [0.14/30] _______ of the moneys are continuously appropriated to the Oregon Department of Administrative Services for distribution to the counties of this state;

(d) [0.14/30] _______ of the moneys are continuously appropriated to the Department of Transportation to be distributed and transferred to the Elderly and Disabled Special Transportation Fund established under ORS 391.800; and

(e) [0.21/30] _______ of the moneys shall be credited to the Tobacco Use Reduction Account

[2]
established under ORS 431A.153.

(2)(a) Moneys distributed to cities and counties under this section shall be distributed to each city or county using the proportions used for distributions made under ORS 323.455.

(b) Moneys shall be distributed to cities, counties and the Elderly and Disabled Special Transportation Fund at the same time moneys are distributed to cities, counties and the Elderly and Disabled Special Transportation Fund under ORS 323.455.

SECTION 7. All moneys received by the Department of Revenue from the taxes imposed by sections 2 and 3 of this 2018 Act shall be paid over to the State Treasurer to be held in a suspense account established under ORS 293.445. After payment of refunds, the balance shall be credited to the General Fund.

SECTION 8. The amendments to ORS 323.031 and 323.457 by sections 5 and 6 of this 2018 Act apply to distributions of cigarettes occurring on or after January 1, 2019.

(Adjustment to Medical Assistance Expenditures and Revenues)

SECTION 9. The Oregon Health Authority shall terminate payments of the administrative expense portion of the hospital reimbursement adjustment made to coordinated care organizations out of moneys in the Hospital Quality Assurance Fund established in section 9, chapter 736, Oregon Laws 2003.

SECTION 10. Section 9 of this 2018 Act applies to payments of the administrative expense portion of the hospital reimbursement adjustment made to coordinated care organizations on and after July 1, 2018.

SECTION 11. If the actual decrease in the medical assistance caseload on the effective date of this 2018 Act is greater than the decrease in the medical assistance caseload projected by the Oregon Health Authority as of June 30, 2017, up to $85 million of the difference between the actual caseload savings and the projected caseload savings are transferred to the Oregon Health Authority Fund established in ORS 413.101.

(Reconciliation of Addresses of Medical Assistance Recipients With National Change of Address Product)

SECTION 12. At regular intervals of not less than six months, the Oregon Health Authority shall reconcile the addresses listed for individuals receiving medical assistance with the National Change of Address product licensed by the United States Postal Service to determine if any recipients of medical assistance have moved out of this state. If the reconciliation shows that a recipient of medical assistance has moved out of this state, the authority shall immediately take appropriate actions to terminate the recipient’s medical assistance.

(Health Care Assessments)

SECTION 13. Section 1, chapter 736, Oregon Laws 2003, as amended by section 34, chapter 792, Oregon Laws 2009, and section 26, chapter 538, Oregon Laws 2017, is amended to read:

Sec. 1. As used in sections 1 to 9, chapter 736, Oregon Laws 2003:

(1) “Charity care” means costs for providing inpatient or outpatient care services free of charge
or at a reduced charge because of the indigence or lack of health insurance of the patient receiving
the care services.

(2) “Contractual adjustments” means the difference between the amounts charged based on the
hospital’s full established charges and the amount received or due from the payor.

(3) “Health district hospital” means a hospital created by a health district under ORS
440.315 to 440.410.

[(3)(a)] (4)(a) “Hospital” means a hospital licensed under ORS chapter 441.
(b) “Hospital” does not include:
(A) Special inpatient care facilities;
(B) Hospitals that provide only psychiatric care;
(C) Pediatric specialty hospitals providing care to children at no charge; and
(D) Public hospitals other than health district hospitals [created by health districts under ORS
440.315 to 440.410].

[(4)] (5) “Net revenue”:
(a) Means the total amount of charges for inpatient or outpatient care provided by the hospital
to patients, less charity care, bad debts and contractual adjustments;
(b) Does not include revenue derived from sources other than inpatient or outpatient operations,
including but not limited to interest and guest meals; and
(c) Does not include any revenue that is taken into account in computing a long term care fa-

[(5)] (6) “Type A hospital” has the meaning given that term in ORS 442.470.

[(6)] (7) “Type B hospital” has the meaning given that term in ORS 442.470.

SECTION 14. Section 1, chapter 736, Oregon Laws 2003, as amended by section 34, chapter 792,
Oregon Laws 2009, section 26, chapter 538, Oregon Laws 2017, and section 13 of this 2018 Act, is
amended to read:

Sec. 1. As used in sections 1 to 9, chapter 736, Oregon Laws 2003:

(1) “Ambulatory surgical center” has the meaning given that term in ORS 442.015.

[(1)] (2) “Charity care” means costs for providing inpatient or outpatient care services free of
charge or at a reduced charge because of the indigence or lack of health insurance of the patient
receiving the care services.

[(2)] (3) “Contractual adjustments” means the difference between the amounts charged based on
the hospital’s full established charges and the amount received or due from the payor.

[(3)] (4) “Health district hospital” means a hospital created by a health district under ORS
440.315 to 440.410.

[(4)(a)] (5)(a) “Hospital” means a hospital licensed under ORS chapter 441.
(b) “Hospital” does not include:
(A) Special inpatient care facilities;
(B) Hospitals that provide only psychiatric care;
(C) Pediatric specialty hospitals providing care to children at no charge; and
(D) Public hospitals other than health district hospitals.

[(5)] (6) “Net revenue”:
(a) Means the total amount of charges for inpatient or outpatient care provided by the hospital
to patients, less charity care, bad debts and contractual adjustments;
(b) Does not include revenue derived from sources other than inpatient or outpatient operations,
including but not limited to interest and guest meals; and
(c) Does not include any revenue that is taken into account in computing a long term care fa-

[6][7] “Type A hospital” has the meaning given that term in ORS 442.470.

[7][8] “Type B hospital” has the meaning given that term in ORS 442.470.

SECTION 15. Section 2, chapter 736, Oregon Laws 2003, as amended by section 1, chapter 780,
Oregon Laws 2007, section 51, chapter 828, Oregon Laws 2009, section 17, chapter 867, Oregon Laws
2009, section 2, chapter 608, Oregon Laws 2013, section 1, chapter 16, Oregon Laws 2015, and
sections 27 and 28, chapter 538, Oregon Laws 2017, is amended to read:

Sec. 2. (1)(a) An assessment is imposed on the net revenue of each hospital in this state. Except
as provided in paragraph (b) of this subsection, the assessment shall be imposed at a rate [de-
determined by the Director of the Oregon Health Authority by rule that is the director’s best estimate of
the rate needed to fund the services and costs identified in section 9, chapter 736, Oregon Laws 2003.
The rate of assessment shall be imposed on the net revenue of each hospital subject to assessment. The
director shall consult with representatives of hospitals before setting the assessment] of six percent.

(b) The Director of the Oregon Health Authority may impose a rate of less than six
percent on the net revenue of type A hospitals, type B hospitals or health district hospitals
to take into account the hospitals’ financial position.

[2] In addition to the assessment imposed by subsection (1) of this section, an assessment of 0.7
percent is imposed on the net revenue of each hospital in this state that is not a type A hospital or type
B hospital.

[3] Each assessment shall be reported on a form prescribed by the Oregon Health Authority
and shall contain the information required to be reported by the authority. The assessment form
shall be filed with the authority on or before the 45th day following the end of the calendar quarter
for which the assessment is being reported. Except as provided in subsection [(6)] (5) of this section,
the hospital shall pay the assessment at the time the hospital files the assessment report. The pay-
ment shall accompany the report.

[(4)(a)] (3)(a) To the extent permitted by federal law, assessments imposed under subsection (1)
of this section may not exceed, [the lesser of:]

[(A) A rate of 5.3 percent; or]

[(B)] in the aggregate, the total of the following amounts received by the hospitals that are re-
imbursed by Medicare based on diagnostic related groups:

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

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

[(iii)] (C) Payments made to the hospitals using a payment methodology established by the au-
thority that advances the goals of the Oregon Integrated and Coordinated Health Care Delivery
System described in ORS 414.620 (3).

(b) Notwithstanding paragraph (a) of this subsection, aggregate assessments imposed under sub-
section (1) of this section on or after July 1, 2015, may exceed the total of the amounts described
in paragraph (a) of this subsection to the extent necessary to compensate for any reduction of
funding in the legislatively adopted budget for hospital services under ORS 414.631, 414.651 and
414.688 to 414.745.

[(c) The director may impose a lower rate of assessment on type A hospitals and type B hospitals
to take into account the hospitals’ financial position.]
Notwithstanding subsection [(4)] (3) of this section, a hospital is not guaranteed that any additional moneys paid to the hospital in the form of payments for services shall equal or exceed the amount of the assessment paid by the hospital.

[(6)(a)] (5)(a) The authority shall develop a schedule for collection of the assessment for the calendar quarter ending September 30, 2021, that will result in the collection occurring between December 15, 2021, and the time all Medicaid cost settlements are finalized for that calendar quarter.

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

SECTION 16. Section 2, chapter 736, Oregon Laws 2003, as amended by section 1, chapter 780, Oregon Laws 2007, section 51, chapter 828, Oregon Laws 2009, section 17, chapter 867, Oregon Laws 2009, section 2, chapter 608, Oregon Laws 2013, section 1, chapter 16, Oregon Laws 2015, sections 27 and 28, chapter 538, Oregon Laws 2017, and section 15 of this 2018 Act, is amended to read:

Sec. 2. (1)(a) An assessment is imposed on the net revenue of each hospital in this state. Except as provided in paragraph (b) of this subsection, the assessment shall be imposed at a rate of six percent.

(b) The Director of the Oregon Health Authority may impose a rate of less than six percent on the net revenue of type A hospitals, type B hospitals or health district hospitals to take into account the hospitals’ financial position.

(2) The director shall impose an assessment at a rate no greater than six percent on the net revenues of:

(a) Ambulatory surgical centers for providing facility services other than surgical procedures; and

(b) Emergency ambulance services.

[(2)(3)] (3) Each assessment shall be reported on a form prescribed by the Oregon Health Authority and shall contain the information required to be reported by the authority. The assessment form shall be filed with the authority on or before the 45th day following the end of the calendar quarter for which the assessment is being reported. Except as provided in subsection [(5)] (6) of this section, the hospital, ambulatory surgical center and emergency ambulance service provider shall pay the assessment at the time the assessment report is filed. The payment shall accompany the report.

[(3)(a)] (4)(a) To the extent permitted by federal law, assessments imposed under subsection (1) of this section may not exceed, in the aggregate, the total of the following amounts received by the hospitals that are reimbursed by Medicare based on diagnostic related groups:

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

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

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

(b) Notwithstanding paragraph (a) of this subsection, aggregate assessments imposed under subsection (1) of this section on or after July 1, 2015, may exceed the total of the amounts described in paragraph (a) of this subsection to the extent necessary to compensate for any reduction of funding in the legislatively adopted budget for hospital services under ORS 414.631, 414.651 and 414.688 to 414.745.
(4) (5) Notwithstanding subsection (3) (4) of this section, a hospital, ambulatory surgical center or emergency ambulance service provider is not guaranteed that any additional moneys paid to the hospital, ambulatory surgical center or emergency ambulance service provider in the form of payments for services shall equal or exceed the amount of the assessment paid by the hospital, ambulatory surgical center or emergency ambulance service provider.

(5)(a) The authority shall develop a schedule for collection of the assessment for the calendar quarter ending September 30, 2021, that will result in the collection occurring between December 15, 2021, and the time all Medicaid cost settlements are finalized for that calendar quarter.

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

SECTION 17. Section 2, chapter 736, Oregon Laws 2003, as amended by section 1, chapter 780, Oregon Laws 2007, section 51, chapter 828, Oregon Laws 2009, section 17, chapter 867, Oregon Laws 2009, section 2, chapter 608, Oregon Laws 2013, section 1, chapter 16, Oregon Laws 2015, and sections 27, 28 and 29, chapter 538, Oregon Laws 2017, is amended to read:

Sec. 2. (1)(a) An assessment is imposed on the net revenue of each hospital in this state. Except as provided in paragraph (b) of this subsection, the assessment shall be imposed at a rate determined by the Director of the Oregon Health Authority by rule that is the director’s best estimate of the rate needed to fund the services and costs identified in section 9, chapter 736, Oregon Laws 2003. The rate of assessment shall be imposed on the net revenue of each hospital subject to assessment. The director shall consult with representatives of hospitals before setting the assessment rate of six percent.

(b) The Director of the Oregon Health Authority may impose a rate of less than six percent on the net revenue of type A hospitals, type B hospitals or health district hospitals to take into account the hospitals’ financial position.

(2) The director shall impose an assessment at a rate no greater than six percent on the net revenues of:

(a) Ambulatory surgical centers for providing facility services other than surgical procedures; and

(b) Emergency ambulance services.

[(2)(3)] (Each assessment shall be reported on a form prescribed by the Oregon Health Authority and shall contain the information required to be reported by the authority. The assessment form shall be filed with the authority on or before the 45th day following the end of the calendar quarter for which the assessment is being reported. Except as provided in subsection (5)(a) of this section, the hospital, ambulatory surgical center and emergency ambulance service provider shall pay the assessment at the time the hospital files the assessment report is filed. The payment shall accompany the report.

[(3)(4)(a)] To the extent permitted by federal law, aggregate assessments imposed under subsection (1) of this section may not exceed, in the aggregate, the total of the following amounts received by the hospitals that are reimbursed by Medicare based on diagnostic related groups:

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

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

(C) Payments made to the hospitals using a payment methodology established by the authority that advances the goals of the Oregon Integrated and Coordinated Health Care Delivery System described in ORS 414.620 (3).
(b) Notwithstanding paragraph (a) of this subsection, aggregate assessments imposed under subsection (1) of this section on or after July 1, 2015, may exceed the total of the amounts described in paragraph (a) of this subsection to the extent necessary to compensate for any reduction of funding in the legislatively adopted budget for hospital services under ORS 414.631, 414.651 and 414.688 to 414.745.

[(c) The director may impose a lower rate of assessment on type A hospitals and type B hospitals to take into account the hospitals' financial position.]

[(4)] (5) [Notwithstanding subsection (3) of this section,] A hospital, ambulatory surgical center or emergency ambulance service provider is not guaranteed that any additional moneys paid to the hospital, ambulatory surgical center or emergency ambulance service provider in the form of payments for services shall equal or exceed the amount of the assessment paid by the hospital, ambulatory surgical center or emergency ambulance service provider.

[(5)(a)] (6)(a) The authority shall develop a schedule for collection of the assessment for the calendar quarter ending September 30, 2021, that will result in the collection occurring between December 15, 2021, and the time all Medicaid cost settlements are finalized for that calendar quarter.

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


Sec. 9. (1) The Hospital Quality Assurance Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Hospital Quality Assurance Fund shall be credited to the Hospital Quality Assurance Fund.

(2) Amounts in the Hospital Quality Assurance Fund are continuously appropriated to the Oregon Health Authority for the purpose of:

(a) Paying refunds due under section 6, chapter 736, Oregon Laws 2003;

(b) Funding [services under ORS 414.631, 414.651 and 414.688 to 414.745] medical assistance under ORS chapter 414, including but not limited to increasing reimbursement rates for inpatient and outpatient hospital services [under ORS 414.631, 414.651 and 414.688 to 414.745];

[(c) Making payments described in section 2 (4)(a)(B)(iii), chapter 736, Oregon Laws 2003;]

[(d) Making payments to coordinated care organizations to be used to provide additional reimbursement to type A hospitals and type B hospitals to improve and expand access to services for medical assistance recipients, to the extent permitted by federal requirements; and]

[(e) Making qualified directed payments to coordinated care organizations to be used to provide to type A hospitals, type B hospitals and health district hospitals additional reimbursement that:

(A) Is based on the utilization and delivery of services;

(B) Is expended equally, using the same terms of performance for all type A hospitals, type B hospitals and health district hospitals;

(C) Is expected to advance at least one of the goals of the state’s quality strategy;

(D) Is evaluated on the degree to which the reimbursement advances at least one of the goals of the state’s quality strategy;

(E) Does not require a hospital to enter into an intergovernmental transfer agreement;]
and

(F) Is not renewed automatically; and

[5(e)(d)] Paying administrative costs incurred by the authority to administer the assessments imposed under section 2, chapter 736, Oregon Laws 2003.

(3) Except for assessments imposed pursuant to section 2 [(4)(b)] (3)(b), chapter 736, Oregon Laws 2003, the authority may not use moneys from the Hospital Quality Assurance Fund to supplant, directly or indirectly, other moneys made available to fund services described in subsection (2) of this section.


Sec. 9. (1) The Hospital Quality Assurance Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Hospital Quality Assurance Fund shall be credited to the Hospital Quality Assurance Fund.

(2) Amounts in the Hospital Quality Assurance Fund are continuously appropriated to the Oregon Health Authority for the purpose of:

(a) Paying refunds due under section 6, chapter 736, Oregon Laws 2003;

(b) Funding medical assistance under ORS chapter 414, including but not limited to increasing reimbursement rates for inpatient, [and] outpatient [hospital] and emergency ambulance services;

(c) Making qualified directed payments to coordinated care organizations to be used to provide to type A hospitals, type B hospitals and health district hospitals additional reimbursement that:

(A) Is based on the utilization and delivery of services;

(B) Is expended equally, using the same terms of performance for all type A hospitals, type B hospitals and health district hospitals;

(C) Is expected to advance at least one of the goals of the state’s quality strategy;

(D) Is evaluated on the degree to which the reimbursement advances at least one of the goals of the state’s quality strategy;

(E) Does not require a hospital to enter into an intergovernmental transfer agreement; and

(F) Is not renewed automatically; and

(d) Paying administrative costs incurred by the authority to administer the assessments imposed under section 2, chapter 736, Oregon Laws 2003.

(3) Except for assessments imposed pursuant to section 2 [(3)(b)] (4)(b), chapter 736, Oregon Laws 2003, the authority may not use moneys from the Hospital Quality Assurance Fund to supplant, directly or indirectly, other moneys made available to fund services described in subsection (2) of this section.


Sec. 9. (1) The Hospital Quality Assurance Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Hospital Quality Assurance Fund shall be credited to the Hospital Quality Assurance Fund.
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(2) Amounts in the Hospital Quality Assurance Fund are continuously appropriated to the Oregon Health Authority for the purpose of:

(a) Paying refunds due under section 6, chapter 736, Oregon Laws 2003;

(b) Funding [services under ORS 414.631, 414.651 and 414.688 to 414.745] medical assistance under ORS chapter 414, including but not limited to increasing reimbursement rates for inpatient, [and] outpatient [hospital] and emergency ambulance services [under ORS 414.631, 414.651 and 414.688 to 414.745];

[c] Making payments described in section 2 (3)(a)(C), chapter 736, Oregon Laws 2003;

(d) Making payments to coordinated care organizations to be used to provide additional reimbursement to type A hospitals and type B hospitals to improve and expand access to services for medical assistance recipients, to the extent permitted by federal requirements; and

(e) Making qualified directed payments to coordinated care organizations to be used to provide to type A hospitals, type B hospitals and health district hospitals additional reimbursement that:

(A) Is based on the utilization and delivery of services;

(B) Is expended equally, using the same terms of performance for all type A hospitals, type B hospitals and health district hospitals;

(C) Is expected to advance at least one of the goals of the state's quality strategy;

(D) Is evaluated on the degree to which the reimbursement advances at least one of the goals of the state's quality strategy;

(E) Does not require a hospital to enter into an intergovernmental transfer agreement; and

(F) Is not renewed automatically; and

[(e)] (d) Paying administrative costs incurred by the authority to administer the assessments imposed under section 2, chapter 736, Oregon Laws 2003.

(3) Except for assessments imposed pursuant to section 2 [(3)(b)] (4)(b), chapter 736, Oregon Laws 2003, the authority may not use moneys from the Hospital Quality Assurance Fund to supplant, directly or indirectly, other moneys made available to fund services described in subsection (2) of this section.


Sec. 10. (1) Sections 1 to 9, chapter 736, Oregon Laws 2003, apply to net revenues earned by hospitals during a period beginning [October 1, 2015] January 1, 2018, and ending the earlier of September 30, 2021, or the date on which the assessment no longer qualifies for federal financial participation under Title XIX or XXI of the Social Security Act.

SECTION 22. Section 10, chapter 736, Oregon Laws 2003, as amended by section 3, chapter 780, Oregon Laws 2007, section 20, chapter 867, Oregon Laws 2009, section 8, chapter 608, Oregon Laws 2013, section 2, chapter 16, Oregon Laws 2015, section 37a, chapter 538, Oregon Laws 2017, and section 21 of this 2018 Act, is amended to read:

Sec. 10. Sections 1 to 9, chapter 736, Oregon Laws 2003, apply to net revenues earned by hospitals during a period beginning January 1, 2018, and ending the earlier of September 30, 2021, or the date on which the assessment no longer qualifies for federal financial participation under Title XIX or XXI of the Social Security Act.

[10]
(2) Sections 1 to 9, chapter 736, Oregon Laws 2003, apply to net revenues earned by health
district hospitals during a period beginning July 1, 2018, and ending the earlier of September
30, 2021, or the date on which the assessment no longer qualifies for federal financial par-
ticipation under Title XIX or XXI of the Social Security Act.

SECTION 23. Section 10, chapter 736, Oregon Laws 2003, as amended by section 3, chapter 780,
Oregon Laws 2007, section 20, chapter 867, Oregon Laws 2009, section 8, chapter 608, Oregon Laws
2013, section 2, chapter 16, Oregon Laws 2015, section 37a, chapter 538, Oregon Laws 2017, and
sections 21 and 22 of this 2018 Act, is amended to read:

Sec. 10. (1) Sections 1 to 9, chapter 736, Oregon Laws 2003, apply to net revenues earned by
hospitals, other than health district hospitals, during a period beginning January 1, 2018, and ending
the earlier of September 30, 2021, or the date on which the assessment no longer qualifies for federal
financial participation under Title XIX or XXI of the Social Security Act.

(2) Sections 1 to 9, chapter 736, Oregon Laws 2003, apply to net revenues earned by health
district hospitals during a period beginning July 1, 2018, and ending the earlier of September 30,
2021, or the date on which the assessment no longer qualifies for federal financial participation un-
der Title XIX or XXI of the Social Security Act.

(3) Sections 1 to 9, chapter 736, Oregon Laws 2003, apply to net revenues earned by
ambulatory surgical centers and emergency ambulance service providers during a period
beginning January 1, 2019, and ending the earlier of September 30, 2021, or the date on which
the assessment no longer qualifies for federal financial participation under Title XIX or XXI
of the Social Security Act.

SECTION 24. (1) No later than 45 days after the effective date of this 2018 Act, the
Oregon Health Authority shall submit for approval by the Centers for Medicare and Medicaid
Services an amendment to the Medicaid state plan if necessary to permit the assessments
on ambulatory surgical centers and emergency ambulance service providers under section
2, chapter 736, Oregon Laws 2003.

(2) No later than September 15, 2018, the authority shall report to the interim commit-
tees of the Legislative Assembly related to health the status of the amendment to the
Medicaid state plan, if any, described in subsection (1) of this section.

(Report to Legislative Assembly)

SECTION 25. (1) No later than February 1, 2019, the Oregon Health Authority shall report
to the Joint Committee on Ways and Means all of the following:

(a) The amount of moneys transferred to the authority by the Oregon Health and Science
University and hospitals created by health districts as intergovernmental transfers.

(b) Assessments collected under section 2, chapter 736, Oregon Laws 2003, on and after
January 1, 2018, and before January 1, 2019.

(2) If the authority fails to report as required by subsection (1) of this section, the un-
expended balances of moneys transferred or collected from the sources described in sub-
section (1) of this section on or after July 1, 2019, shall be transferred back to the sources
from which the moneys were transferred or collected.

CAPTIONS
SECTION 26. The unit captions used in this 2018 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2018 Act.

EFFECTIVE AND OPERATIVE DATES

SECTION 27. (1) The amendments to sections 1, 2 and 10, chapter 736, Oregon Laws 2003, by sections 13, 15 and 22 of this 2018 Act, become operative on the earlier of July 1, 2018, or the date the Centers for Medicare and Medicaid Services provides approval, if necessary, for the assessments on health district hospitals under section 2, chapter 736, Oregon Laws 2003.

(2) The amendments to sections 1, 2, 9 and 10 by sections 14, 16, 19 and 23 of this 2018 Act, become operative on January 1, 2019.

SECTION 28. This 2018 Act takes effect on the 91st day after the date on which the 2018 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.