

The Oregon Nursing Facility Provider Assessment

House Committee on Revenue

January 11, 2024

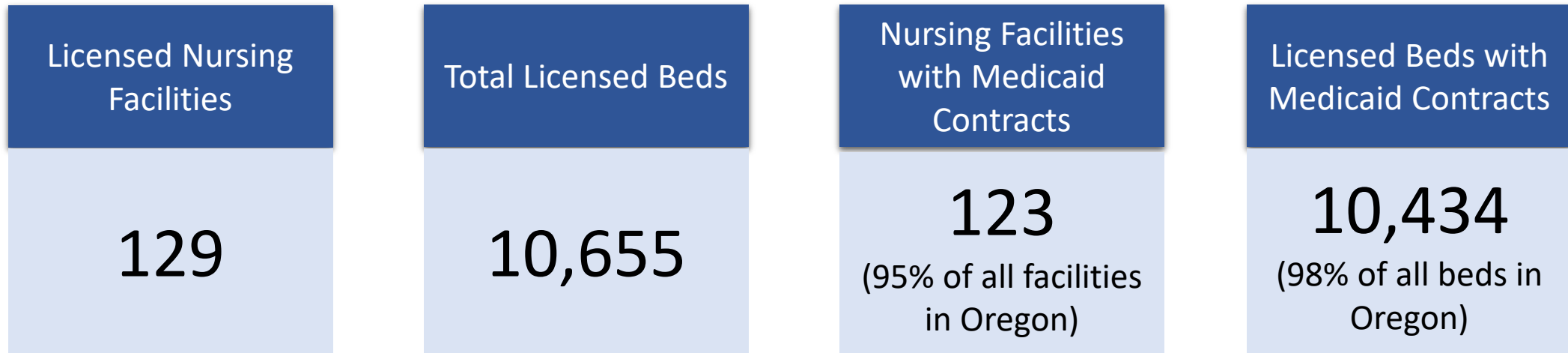
Provider Assessment Background

- Federal law permits states to levy an assessment on specified health care entities, including nursing facilities. At least 43 states currently levy a nursing facility assessment.
- The nursing facility assessment was first approved by the Oregon Legislature in 2003. The Legislature has approved six-year extensions in 2007, 2013, and 2018 with bipartisan support.
- The total revenues the state receives from the assessment consist of the assessment rate multiplied by the number of patient days for a calendar quarter. Assessment revenues receive federal match along with state general funds to support care for Medicaid beneficiaries.
- The assessment rate is capped at 6% of the annual gross revenue of all nursing facilities, except for the two Oregon Veterans' Homes. The cap is provided for in federal law as part of a safe harbor exception.
- The current assessment rate is \$34.02.

Who Pays the Assessment?

All licensed nursing facilities in Oregon pay the assessment, except for the two Oregon Veterans' Homes in The Dalles and Lebanon.

OREGON NURSING HOME DETAILS



Benefit to Oregonians and the State

- ✓ Supports access to nursing facility care for low-income Oregonians.
- ✓ Reduces General Fund burden for the State to fund long term care services.
- ✓ Supports quality of care, including some of the highest staffing levels nationally.

\$947.7 Million

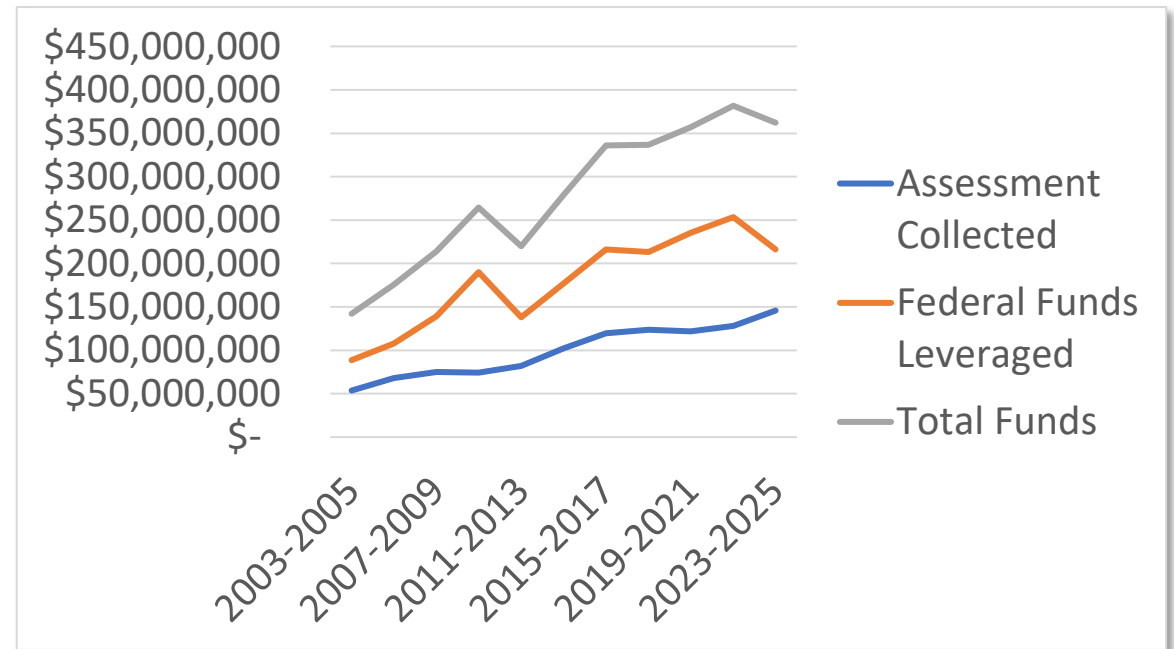
Revenue collected from providers paying the assessment since 2003.

\$1.7 Billion

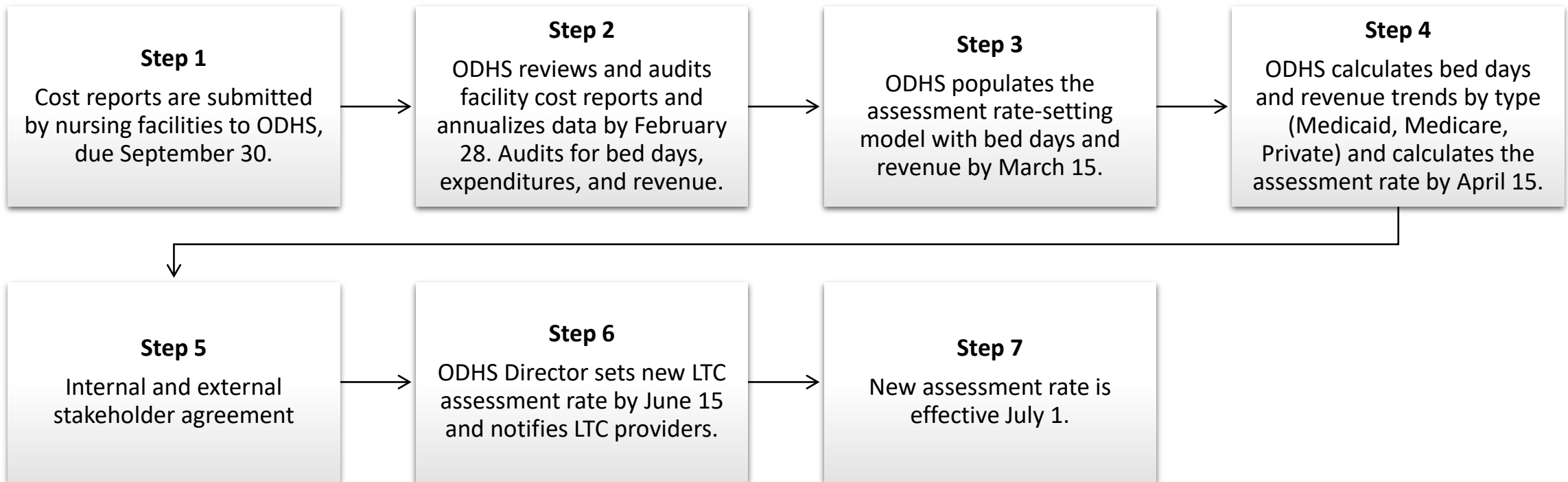
Of federal funds leveraged to Oregon from the assessment since 2003 under the FMAP rate (currently at roughly 59%).

\$128.2 Million

Revenue generated in the 2021-23 biennium from the assessment, *not* including the federal match.



Annual Process for Establishing the Provider Assessment Rate



2024 Legislative Action Needed

- Under Oregon law, the current long term care assessment sunsets in 2026, during the 2025-27 biennium.
- The Legislature must act to extend the assessment for another six years. (LC 160)
- Extending the nursing facility assessment now supports stability and predictability for Medicaid funding of long term care services in nursing facilities. It also avoids projecting a loss of funds going into the next biennial budget cycle.