

## **SUBCOMMITTEE RECOMMENDATION**

### **Oregon Health Authority Disproportionate Share Hospitals**

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To:	Ways and Means Full Committee
From:	Human Services Subcommittee
Carrier:	Senator Gelser Blouin

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On February 14th, the Human Services Subcommittee recommended acknowledging receipt of a report from the Oregon Health Authority on the status of funding for the Disproportionate Share Hospital 3 program and recommendations needed to achieve full federal funding for the 2023-25 biennium.

The Disproportionate Share Hospital program is a mechanism for offsetting a portion of the losses that hospitals incur from providing uncompensated care to uninsured individuals and Medicaid patients. The program, as implemented by the Oregon Health Authority, is divided into three subprograms. The subject of this report is the DSH-3 subprogram.

Each year, the Centers for Medicare and Medicaid Services provides a funding allotment for the program. The allotment for the DSH-3 program is \$149.8 million, which includes both the federal and state funding components. To maximize the available federal funding of \$88.6 million, the state needs to contribute an estimated \$61.2 million. The legislatively approved budget for OHA includes \$23 million for the state portion, which is available from hospital tax revenues. This leaves a net shortfall in state funding for the biennium of \$38.2 million. Of this amount, \$7.3 million is needed for the payment scheduled in June 2024 and \$30.9 is needed for the payment scheduled in June 2025.

The Human Services Subcommittee recommends approval.