



Oregon

Tina Kotek, Governor

Department of Human Services
Office of Aging and People with Disabilities
Office of the Director
500 Summer St. NE
Salem, OR 97301

February 6, 2024

Chair Nancy Nathanson
House Committee on Revenue
Oregon State Capitol
900 Court Street NE
Salem, OR 97301-4048



Dear Chair Nathanson,

Thank you for the opportunity to testify on HB 4033. My name is Jane-ellen Weidanz, Deputy Director of Policy for the Oregon Department of Human Services' Office of Aging and People with Disabilities (APD). HB 4033 would extend the nursing facility provider assessment process through June 30, 2032. The current provider assessment, established in 2003, is presently slated to sunset on July 1, 2026.

The provider tax revenue offsets the General Fund cost of providing nursing facility services to Oregon's vulnerable population eligible for Medicaid. Since its inception in 2003, this assessment has allowed APD to collect approximately \$1.3 billion in revenue from providers which has offset the need for general fund dollars for services and has leveraged over \$2.4 billion in matching federal funds.

APD has projected that it will receive approximately \$19 million in quarterly revenue for the 2023-2025 biennium. While projections have not yet been made for the period following the scheduled sunset date of July 1, 2026, these current projections offer an idea of the general fund gap in APD's budget that would result were this sunset not to be extended: roughly \$76 million per year, or \$152 million per biennium.

For the 2023-25 budget, the federal government will match at the current rate of 59.82%, leveraging approximately \$226 million in federal funds for the biennium. This amount varies from biennium to biennium based on Nursing Facilities' rates, cases served, and billable days.

I would be happy to address any questions you may have.

Jane-ellen Weidanz, Deputy Director of Policy
Office of Aging and People with Disabilities
Oregon Department of Human Services

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