

HB 4033: The Oregon Nursing Facility Provider Assessment

Senate Committee on Finance and Revenue
February 26, 2024

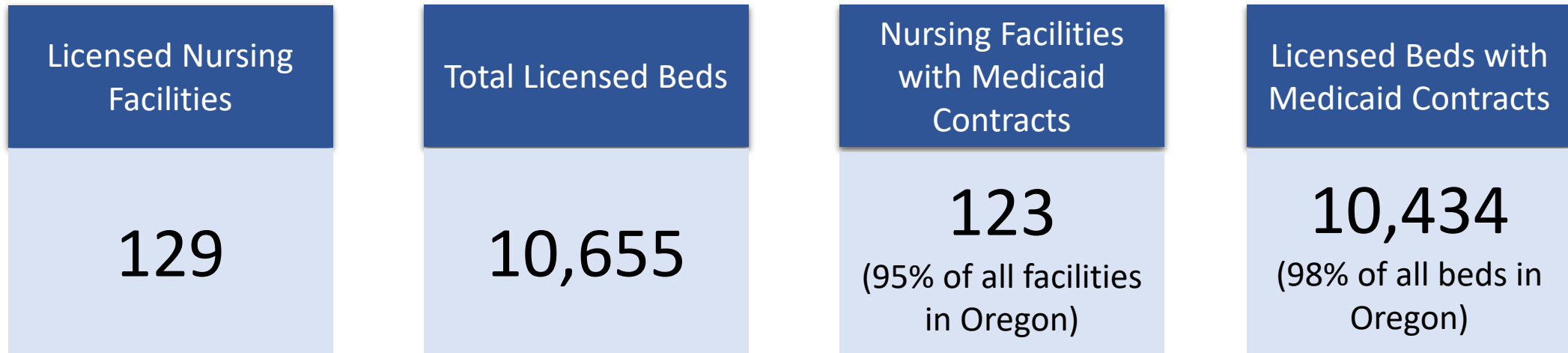
Provider Assessment Background

- Federal law permits states to levy an assessment on certain health care entities, including nursing facilities. At least 43 states currently levy a nursing facility assessment.
- The nursing facility assessment was approved by the Oregon Legislature in 2003 and has been extended three times, each with time with a six-year sunset.
- 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 participating nursing facilities. The cap is provided for in federal law as part of a safe harbor exception.
- The current assessment rate established by ODHS 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 care outcomes, including helping Oregon achieve one of the highest resident-to-staff levels in the nation.

By The Numbers (2003 – 2023)

\$947.7 Million

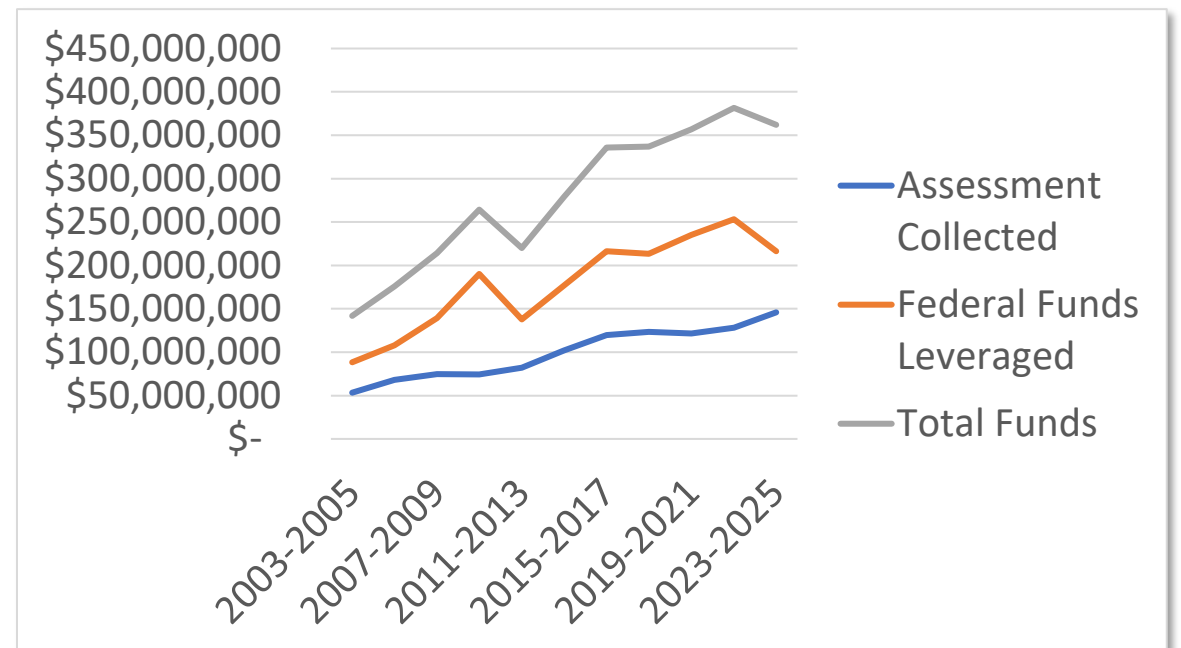
Revenue collected from providers paying the assessment.

\$1.7 Billion

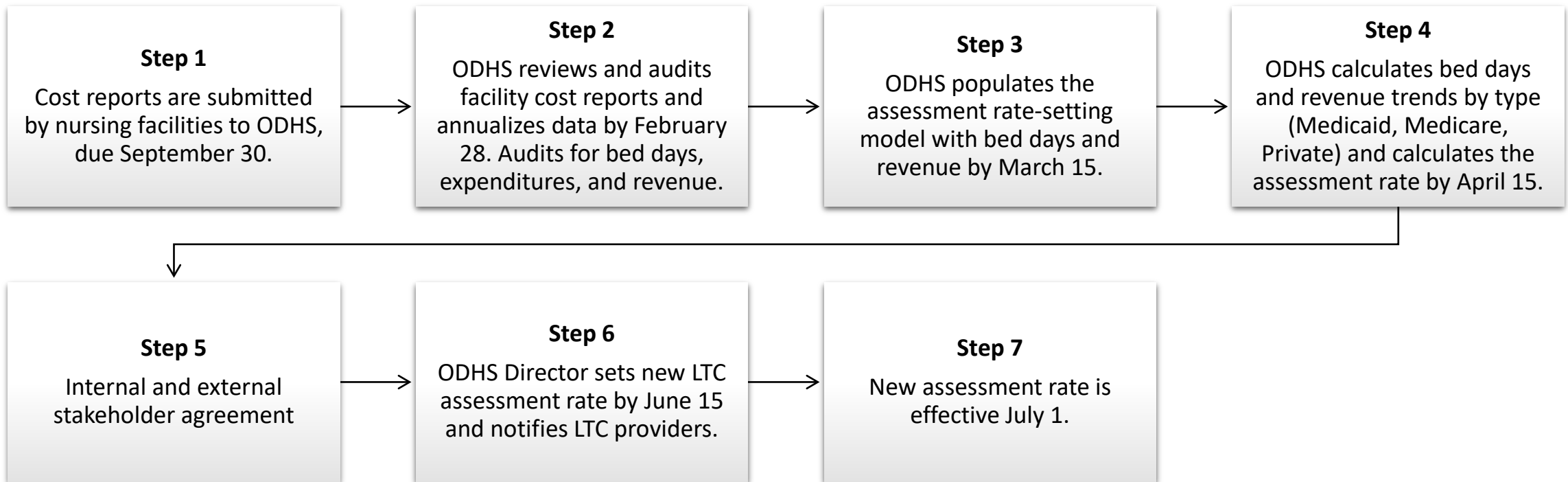
Federal funds leveraged to Oregon under the FMAP rate (currently at roughly 59%).

\$128.2 Million

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



Annual Process for Establishing the Provider Assessment Rate



Support HB 4033

- The current assessment sunsets in 2026.
- HB 4033 extends the assessment for another six years to 2032.
- Extending the nursing facility assessment in 2024 helps ensure stability for Medicaid funding of long term care services in nursing facilities. It also avoids projecting a loss of funds in the next biennial budget cycle.
- HB 4033 was approved by the House on a **56-0 vote** this session.