

Senate Bill 239

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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**.

Requires Office of Rural Health to review designation of rural hospitals at least once every five years.

Requires Oregon Health Authority to consider overall net profit of type A or type B hospital to determine if hospital is entitled to reimbursement based on cost.

A BILL FOR AN ACT

Relating to rural hospitals; amending ORS 414.728 and 442.485.

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

SECTION 1. ORS 414.728 is amended to read:

414.728. *[For services provided to persons who are entitled to receive medical assistance and whose medical assistance benefits are not administered by a prepaid managed care health services organization, as defined in ORS 414.736, the Oregon Health Authority shall reimburse Type A and Type B hospitals and rural critical access hospitals, as described in ORS 442.470 and identified by the Office of Rural Health as rural hospitals, fully for the cost of covered services based on the most recent audited Medicare cost report for Oregon hospitals adjusted to reflect the Medicaid mix of services.]*

(1) The Oregon Health Authority shall reimburse a hospital for the full cost of hospital services that are provided to a recipient of medical assistance if the hospital is designated by the Office of Rural Health under ORS 442.485 as:

(a) A rural critical access hospital; or

(b) A type A or type B hospital and the hospital had an overall net profit of less than five percent for the preceding year.

(2) The authority shall adopt by rule a formula for determining overall net profit under this section that:

(a) Is based on the most recent audited Medicare cost report for Oregon hospitals adjusted to reflect the Medicaid mix of services;

(b) Includes a consideration of all payments for services from any source that are received by a hospital; and

(c) Excludes capital items.

(3) This section does not apply to reimbursement for hospital services administered by a prepaid managed care health services organization as defined in ORS 414.736.

SECTION 2. ORS 442.485 is amended to read:

442.485. The responsibilities of the Office of Rural Health shall include but not be limited to:

(1) Coordinating statewide efforts for providing health care in rural areas.

(2) Accepting and processing applications from communities interested in developing health care

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.

1 delivery systems. Application forms shall be developed by the [agency] **office**.

2 (3) [Through the agency,] Applying for grants and accepting gifts and grants from other govern-
3 mental or private sources for the research and development of rural health care programs and fa-
4 cilities.

5 (4) Serving as a clearinghouse for information on health care delivery systems in rural areas.

6 (5) Helping local boards of health care delivery systems develop ongoing funding sources.

7 **(6) Designating a hospital as a type A, type B, type C or rural critical access hospital**
8 **under ORS 442.470 and reassessing the designation at least once every five years.**

9 [(6)] (7) [Developing] **Recommending** enabling legislation to facilitate further development of
10 rural health care delivery systems.

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