Oregon's Medicaid Provider Assessment Package
Please join us in supporting House Bill 2010

House Bill 2010 includes two key components of the Oregon Health Plan (Medicaid) funding package for the 2019-2021 biennium. Those components, known as provider assessments on hospitals and insurers, were negotiated as part of a larger budget package for the Oregon Health Plan throughout the interim amongst a diverse group of stakeholders. The components contained in House Bill 2010 will create a stable foundation for funding the Oregon Health Plan over the next six years.

Hospital provider assessments:

The package maximizes the hospital assessment on DRG (large) hospitals at 6% of net patient revenue the current federal maximum allowed. First established in 2004, the program assesses hospitals based on net patient revenue. The state uses those funds to draw down federal matching funds, and then returns the assessed amount back to hospitals in the aggregate. The package extends this assessment and a current smaller program on Type A&B (small and rural) hospitals until 2025. These mechanisms fund 28% of the state funding for the Medicaid program today.

Managed care/Commercial insurer/Stop loss assessments:

In order for assessments to be eligible for federal match, they must be broad based and uniform across providers. The premium and stop loss assessments contained in this package qualify as a provider tax, and will be eligible for match, because they apply equally to Medicaid coordinated care organizations (CCOs), as well as commercial insurers and stop loss providers. The rate, set at 2%, will apply to CCOs, individual, small group and large group plans in the regulated insurance market, and stop loss insurance premiums paid by self-insured entities. In addition, the state will apply the tax to PEBB self-insured plans. The tax will sunset after 6 years and apply to plans renewed on or after 1/1/20.

Other components of House Bill 2010:

Reinsurance program– Established in 2017, the reinsurance program has helped to stabilize the individual health insurance market by reducing rates six percentage points from what they otherwise would have been. The program has helped to make individual market insurance more affordable and to ensure an ongoing competitive market. Funded in part by the premium assessment, and together with federal match from a waiver, HB 2010 authorizes continuation of the program.

OHSU Intergovernmental Transfer program –As Oregon's only public academic health center, since 2017 OHSU has used its unique status as a public hospital by partnering with the state to increase the amount of funding provided for the Medicaid program through an enhanced intergovernmental transfer (IGT). For the 2019-2021 biennium the OHSU IGT is providing $432 million in state funds for Oregon's Medicaid program. This package ensures certainty for OHSU by providing Current Service Level funding of 87 percent of cost for the Medicaid members OHSU serves.

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