

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2910 - A**

81st Oregon Legislative Assembly – 2021 Regular Session  
Legislative Fiscal Office

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

Prepared by: Haylee Morse-Miller  
Reviewed by: Tom MacDonald, Amanda Beitel, Laurie Byerly  
Date: March 26, 2021

**Measure Description:**

Requires Oregon Health Authority, upon receipt of federal approval, to assess fee on emergency medical services providers and use fee to reimburse costs of emergency medical services transports.

**Government Unit(s) Affected:**

Legislative Counsel (LC), Counties, Oregon Health Authority (OHA), Cities

**Summary of Fiscal Impact:**

Costs related to the measure are indeterminate at this time - See explanatory analysis.

**Analysis:**

HB 2910 - A states that the Oregon Health Authority (OHA) may request approval from the Centers for Medicare and Medicaid Services to administer an assessment and reimbursement program for nonfederal or nonpublic emergency medical services (EMS) providers. If approval is received, OHA is directed to assess a quality assurance fee related to each provider’s emergency and transportation services, or “EMS transport.” The fee must be equal to five percent of the projected total gross receipts for an EMS provider for the following 12-month period, divided by the projected number of EMS transports in that period. OHA may modify these amounts to meet federal requirements or ensure federal financial participation in the costs of EMS transports reimbursed by OHA. OHA is directed to assess interest and penalties for late payments, and deduct the fee amount, interest, or penalties from any fee-for-service medical assistance reimbursement owed to the EMS provider until the full amount is recovered.

OHA is required to establish the reimbursement to be paid to an EMS provider for an EMS transport in an amount that is equal to the federal financial participation received by OHA for the cost of the services provided. An EMS provider must use a portion of the funds to increase wages and benefits for employees. The reimbursement also applies to reimbursement by coordinated care organizations (CCO).

Quality assurance fees and interest are to be deposited into the Emergency Medical Services Fund established by this measure, which is separate and distinct from the General Fund. Money in the fund is continuously appropriated to OHA to provide grants to innovative ambulance programs, fund the state medical assistance program, and to administer this measure. Certain penalties are to be deposited in the General Fund.

This measure declares an emergency and takes effect on passage.

Because OHA is not currently able to quantify the volume of claims eligible for federal Medicaid match for the EMS providers in question with a sufficient level of certainty, the fiscal impact of this measure is currently indeterminate. If reimbursement levels are similar to those under HB 4030 (2016), which created a voluntary program for public EMS providers, then reimbursements under this bill might be approximately \$30.0 million in Other Funds derived from the quality assurance fee, and \$45.0 million in Federal Funds derived from Medicaid Title XIX Federal match. However, costs could vary significantly based on the total number of providers eligible for reimbursement.

Quantifiable costs of this measure include three permanent, full-time positions (3.00 FTE) at a cost of \$723,303, half of which would be paid through federal match. These positions include:

- A Fiscal Analyst 2 to review provider cost reports, provide projections, and determine reimbursements;
- A Fiscal Analyst 3 to monitor, project, and report actuals for Ground Emergency Medical Transportation programs; and,
- An Operations Policy Analyst 3 to work with providers to answer questions and interpret policy.

There is no fiscal impact for Legislative Counsel, Counties, or Cities.

OHA notes that the bill appears to conflict with federal Medicaid reimbursement limitations. In particular, states cannot make payments for Medicaid services with only federal revenue, which appears to conflict with the measure's requirement for reimbursement to equal the federal financial participation received for the cost of services provided.