



February 18, 2022

TO: Chair Smith Warner, Vice-Chairs Breese-Iverson and Fahey, Members of the House Committee on Rules

FROM: Jeremy Vandehey, Division Director, Health Policy & Analytics, Oregon Health Authority

SUBJECT: HB 4035-A

Chair Smith Warner, Vice-Chairs Breese-Iverson and Fahey, committee members,

Thank you for the opportunity to testify before your committee about HB 4035-A. Please find responses to your questions and additional information below.

Chair Smith Warner:

- **Relating to how many individuals may become ineligible because of a lack of response in the redetermination process.**

Historical data indicate roughly 8,000 cases are closed due to lack of response every month, which amounted to a little less than one third of all monthly closures in 2019. This data has not been adjusted or updated in 3 years and was not verified for this memo due to time constraints. OHA will follow-up with the Committee in the coming weeks with any corrections to this information as needed.

Representative Wallan:

- **Related to costs, reimbursement and the difference in payments expressed as a percentage between different payors. Specifically, if the percentage of reimbursement difference between Medicaid and the commercial market is 57%.**

The difference between reimbursement and costs for different payors varies across hospitals because costs (and commercial rates) are different from hospital to hospital. A review of hospital's community benefit reports indicates that among hospitals that report losses in Medicaid services, the average reimbursement is 72% of Medicaid costs. Among hospitals reporting losses for Medicare services, the average reimbursement is 77% of Medicare costs.

The Community Benefit Dashboard, which is available [here](#), provides some relevant detail. The report tracks the spending hospitals claim as charity care, one category of which is unreimbursed Medicaid costs or the difference between the costs of providing services to Medicaid members and the reimbursement received. Under legislation passed in the 2021 session, hospitals are allowed to claim Medicaid shortfalls to satisfy new minimum thresholds for charity care spending.

Please let me know if there is any additional information OHA can provide.