

HB 4033:

The Oregon Nursing Facility Provider Assessment

Senate Committee on Finance and Revenue
February 26, 2024

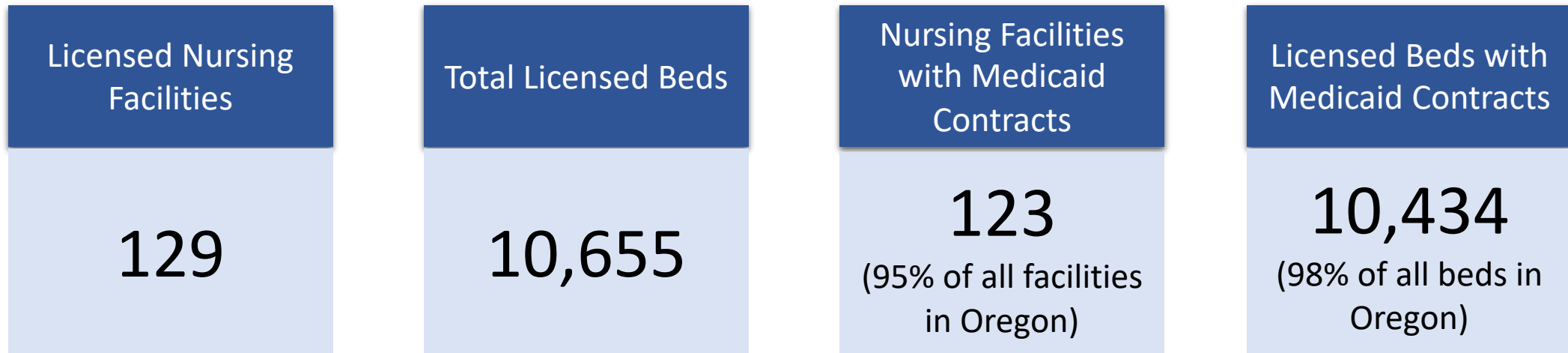
Provider Assessment Background

- 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



Reference: Nursing Homes including Rehab Services. Centers for Medicare & Medicaid Services (CMS). Updated November 1, 2023.

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

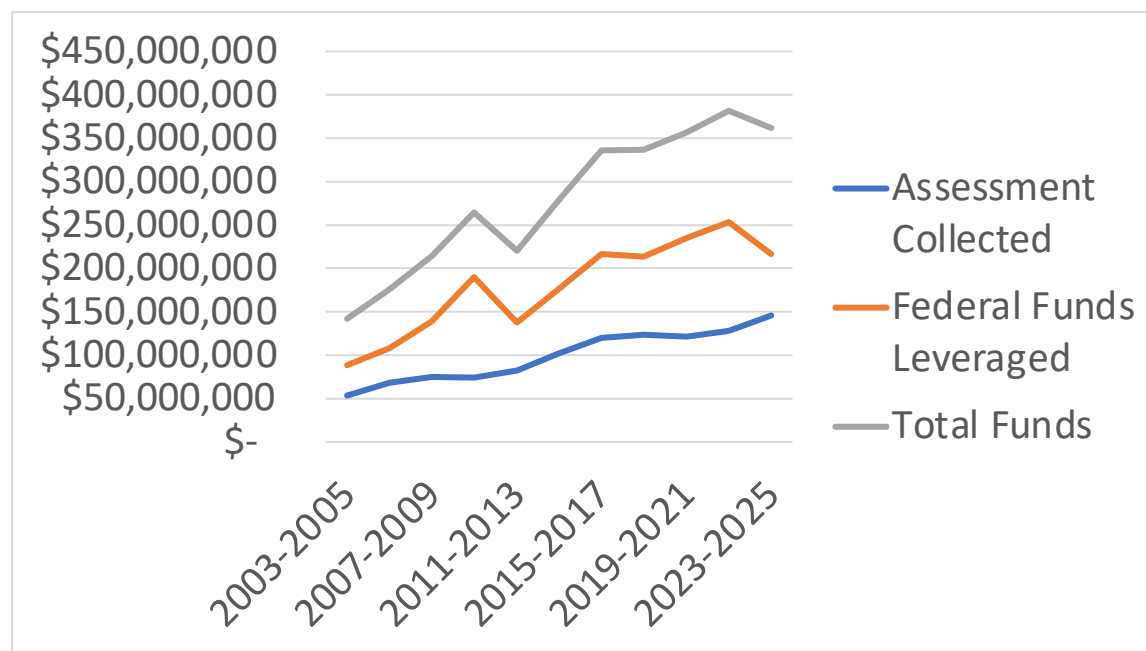
Revenue collected from providers paying the assessment.

\$1.7 Billion

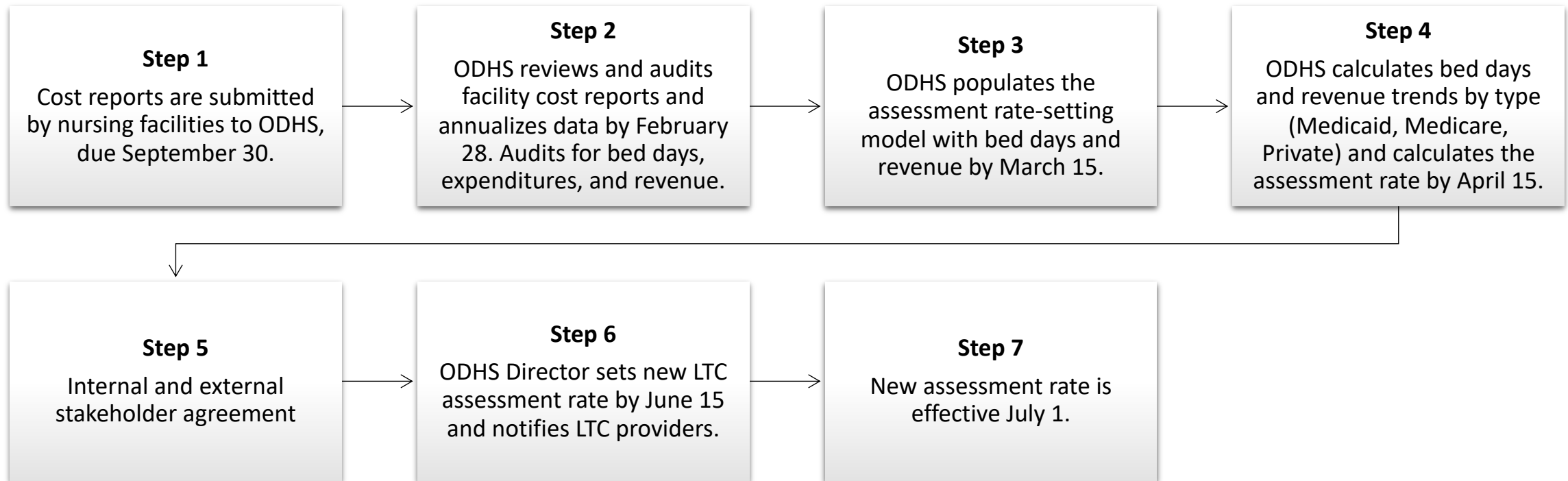
Federal funds leveraged to Oregon under the FMAP rate (currently at roughly 59%).

\$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.