

HB 2010 A STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Dae Baek, Senior Economist

Meeting Dates: 2/18, 2/20

WHAT THE MEASURE DOES:

Keeps certain medical provider assessments in place through December 31, 2032. In particular, moves the sunsets of the assessment on health insurance plan premiums or premium equivalents from December 31, 2026, to December 31, 2032, of the assessment on premium equivalents of managed care organizations from December 31, 2026, to December 31, 2032, and of the assessment on net patient revenues of the specified hospitals from September 30, 2025, to December 31, 2032. Extends the Oregon Reinsurance Program through December 31, 2032. Divides net patient revenue into net inpatient revenue and net outpatient revenue. Defines net outpatient revenue. Allows for different assessment rates for net inpatient revenue and net outpatient revenue. Keeps the current reimbursement rate to the Oregon Health and Science University for the costs of services paid for with Medicaid funds. Takes effect on the 91st day following the adjournment sine die.

ISSUES DISCUSSED:

- Oregon Health Plan (OHP) overview and enrollment by county
- OHP funding sources and history
- Oregon Reinsurance Program - purpose and funding history
- Details of the measure, including varying assessment rates on medical provider assessments and consolidation of assessment sunset dates

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Four types of medical provider assessments were first authorized in the 2003 legislature by HB 2747 to generate revenue to help fund Oregon's Medicaid programs: assessments on net patient revenues of certain hospitals (hospital assessment), assessments on Medicaid managed care plan premiums (managed care organization assessment), assessments on long term care facilities or nursing homes (long term care facility assessment), and assessments on programs of all inclusive care for the elderly (PACE assessment). These enacted provider assessments had sunset dates.

Over time, these provider assessments have gone through expansions, sunset extensions, modifications, termination and reinstatement. For example, HB 2391 in 2017 re-established the assessment on health insurance plan premiums or premium equivalents (Insurers assessment) for two years. HB 2010 in 2019 extended the hospital assessment through September 2025, and insurers assessment through December 2026.

This measure keeps these two medical provider assessments in place through December 31, 2032. While these assessments sunset at the end of December 2032, the sunsets of governing laws are moved to January 2, 2038.