

March 11, 2025

Senator Mark Meek, Chair
Senator Mike McLane, Vice Chair
Senate Committee on Finance and Revenue
900 Court Street NE
State Capitol
Salem, OR 97301

SUBJECT: March 10, 2025, Committee Questions

Dear Chair Meek and members of the committee:

On behalf of the Oregon Health Authority thank you for the opportunity to testify on HB 2010A in the Senate Committee on Revenue on March 10, 2025. Members had several questions on which OHA is pleased to provide follow up information.

HB 2010A extends two existing assessments supporting the Oregon Health Plan and the members we serve – the provider assessment and the insurer assessment. We wish to clarify a topic of conversation in committee: there is another provider assessment operating in Oregon, which is limited to long-term care facilities and their Medicaid program. HB 2010A does not address the long-term care assessment, which was last renewed in 2024 via HB 4033. The assessment on long-term care facilities utilizes similar mechanisms but is administered by ODHS and assessed on nursing homes. The long-term care assessment is also limited to 6% of provider revenues but is calculated as a per bed rate that is determined each year rather than a percent of revenues. The long-term care assessment is not a part of HB 2010A.

There were also questions about the approximate amount of revenue recovered by Medicaid through the asset recovery program. Federal and state laws require the Department of Human Services (ODHS) and the Oregon Health Authority (OHA) to have an estate recovery program. The Estate Administration Unit (EAU)

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administers the program for both agencies. Approximately 60 percent of the money recovered pays for services and benefits for Oregonians. The state returns the remaining amount to the federal government for the share of the benefits it paid.

Biennial recovery can vary but is estimated at an average of \$80M. The breakout of that is below.

The federal share payback is estimated at 40%, totaling roughly \$32M per biennium. Of the remaining 60% or \$48M in recovered funds – the state share – the split by program type is as follows:

- OHA: 20% or \$9.6M per biennium
- ODHS: 80% or \$38.4M per biennium

For more information on the asset recovery program, please consult the following linked resource:

<https://sharedsystems.dhsoha.state.or.us/DHSForms/Served/me9093.pdf>

Again, OHA appreciated the opportunity to offer information on HB 2010A which is critical to Oregon's Medicaid funding structure.

Sincerely,



Emma K. Sandoe
Medicaid Director
Oregon Health Authority