



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

Prepared by: MaryMichelle Sosne
Reviewed by: Matt Stayner
Date: June 17, 2025

Bill Title: Relating to health care facilities; prescribing an effective date.

Government Unit(s) Affected: Oregon Health Authority

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Health Authority	\$ 63,860	\$ -	\$ -	\$ -	\$ 63,860	-	-
Total Fiscal Impact	\$ 63,860	\$ -	\$ -	\$ -	\$ 63,860	-	-

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Health Authority	\$ 63,860	\$ -	\$ -	\$ -	\$ 63,860	-	-
Total Fiscal Impact	\$ 63,860	\$ -	\$ -	\$ -	\$ 63,860	-	-

Summary of Revenue Impact

Agency -- Fund Type	2025-27 Biennium	2027-29 Biennium
Oregon Health Authority	\$ 2,844,660	\$ 2,844,660
Total Revenue Impact	\$ 2,844,660	\$ 2,844,660

Measure Description

The measure increases annual hospital licensing fees as follows:

- For hospitals with 25 beds or less, the license fee is increased from \$1,250 to \$5,000.
- For hospitals with 26-49 beds, the license fee is increased from \$1,850 to \$7,400.
- For hospitals with 50-99 beds, the license fee is increased from \$3,800 to \$13,800.
- For hospitals with 100-199 beds, the license fee is increased from \$6,525 to \$26,100.
- For hospitals with 200-488 beds, the license fee is increased from \$8,500 to \$34,000.
- For hospitals with 500 or more beds, the license fee is increased from \$12,070 to \$48,280.
- The fee for hospital satellites indorsed under a hospital's license is increased from \$750 to \$3,000.

These changes represent a roughly four-fold increase in fees.

A new provision is added allowing the Health Authority to assess a late fee of no more than \$1,250 to hospitals failing to pay the renewal license fee.

Additionally, the Oregon Health Authority (OHA) may accept summary documents from a federal agency or accrediting body in lieu of an in-person inspection, if the documents are provided to OHA within 30 days of their

receipt by the health care facility. The measure expands portions of a complaint investigation not subject to public disclosure to include information obtained during an intake or triage of an investigation of a health care facility. The measure repeals ORS 441.021 which specifies additional fees for investigation and compliance activities, including complaint investigation fees, compliance survey fees and follow up survey fees.

Fiscal Analysis

OHA processes annual licensing renewals for 64 hospitals and 110 satellite hospitals. At the current level of funding, licensing fees are expected to generate \$745,488 in revenue during the 2023-25 biennium. However, programmatic costs for OHA are projected to exceed \$1.5 million during the same period, resulting in a revenue shortfall of approximately \$800,000.

The increased fees, as specified in the measure, are projected to generate \$2.8 million in revenue in the 2025-27 biennium. This increased revenue level addresses the sustainability of the existing budgeted program expenditures in the upcoming biennium and backfills the projected shortfall incurred in the 2023-25 biennium.

As an entity subject to the hospital licensing fee, the Oregon State Hospital expects a biennial cost increase of \$63,860 General Fund, of which, \$43,860 is for the Salem Campus and \$20,000 is for the Junction City Campus.

Relevant Dates

The measure takes effect on October 1, 2025