

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
83rd Oregon Legislative Assembly
2025 Regular Session
Legislative Revenue Office

Bill Number: HB 2010 - A
Revenue Area: Medical Provider Assessment
Economist: Dae Baek
Date: 02/20/2025

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description:

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. Takes effect on the 91st day following the adjournment sine die.

**Revenue Impact (in \$Millions):
(1) Oregon Health Plan**

	Biennium	
	2025-27	2027-29
(A) Insurers Assessment (to the Health System Fund)	\$ 210.5	\$ 803.1
Assessment on Commercial Health Insurance Plans	\$ 76.7	\$ 326.0
Assessment on PEBB/OEBB	\$ 8.1	\$ 43.0
Assessment on Stop-Loss	\$ 1.4	\$ 5.1
Assessment on Managed Care Organizations (MCO)	\$ 124.3	\$ 429.0
(B) Hospital Assessment (to the Hospital Quality Assurance Fund)	\$ 2,015.5	\$ 2,544.3
Assessment on DRG Hospitals	\$ 1,703.4	\$ 2,130.3
Assessment on Type A and Type B Hospitals	\$ 312.1	\$ 414.0
Total Revenue (A + B)	\$ 2,226.0	\$ 3,347.4

Impact Explanation: This analysis focuses on new revenues. Federal matches and other budget issues are addressed in the fiscal impact statement by the Legislative Fiscal Office.

The current insurers assessment of 2% on health insurance plan premiums or premium equivalents and MCO premium equivalents are set to sunset at the end of 2026. This bill moves the sunset to December

2032. As a result, the revenue impact captures new revenues from two quarters of BI 2025-27. BI 2027-29 captures all eight quarters.

Under current law, the assessment on specified hospitals continues through September 2025. This bill moves the sunset to December 2032. Assessment rates stay the same at 6%. Consequently, new revenue for BI 2025-27 reflects seven quarters of assessment, starting from 2Q of FY 2025-26. BI 2027-29 captures all eight quarters.

(2) General Fund

	Biennium	
	2025-27	2027-29
General Fund	-\$ 2.8	-\$ 12.2

If not for the extension of the assessment on health insurance plan premiums, Oregon would have seen lower insurance tax rates from the beginning of 2027, and non-Oregon domiciled insurance companies would have paid more retaliatory taxes to Oregon. Retaliatory taxes flow into the General Fund (GF).

With the extension of the assessment at the same rate under this measure, the GF will not see such an increase in retaliatory taxes, which leads to this impact analysis on GF. BI 2025-27 captures two quarters of impact, and BI 2027-29 captures all eight quarters.

It is important to note that since the assessment continues at the same rate, the Oregon health insurance market maintains the status quo in retaliatory tax considerations. As a result, Oregon will not see any change in the expected stream of retaliatory taxes before and after the extension.

Creates, Extends, or Expands Tax Expenditure: Yes No