

# Senate Bill 1214

Sponsored by Senators SMITH DB, ANDERSON, Representative RESCHKE; Senator LINTHICUM, Representatives BOICE, MCINTIRE, OSBORNE, WRIGHT

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act tells OHA and CCOs to increase the rates at which certain rural hospitals are reimbursed. (Flesch Readability Score: 70.1).

Directs the Oregon Health Authority and coordinated care organizations to reimburse certain rural hospitals at rates no less than 150 percent of the rates paid as of the effective date of the Act.

Declares an emergency, effective July 1, 2025.

## A BILL FOR AN ACT

1  
2 Relating to Medicaid reimbursement rates for rural hospitals; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

### **SECTION 1. (1) As used in this section:**

4  
5 (a) **“Level III trauma hospital” means a trauma system hospital that provides resusci-**  
6 **tation, stabilization and assessment of a severely injured patient and either provides treat-**  
7 **ment or transfers the patient to a higher level trauma system hospital.**

8 (b) **“Medical assistance” has the meaning given that term in ORS 414.025.**

9 (c) **“Trauma system hospital” means a hospital designated by the Oregon Health Au-**  
10 **thority to receive and provide services to trauma patients.**

11 (2) **The Oregon Health Authority shall provide reimbursement in the state medical as-**  
12 **sistance program for inpatient and outpatient hospital services provided by a hospital that**  
13 **meets the criteria under subsection (3) of this section at a rate that is no less than 150**  
14 **percent of the reimbursement rates paid to the hospital as of the effective date of this 2025**  
15 **Act.**

16 (3) **A hospital is eligible for the reimbursement rates described in subsection (2) of this**  
17 **section if the hospital:**

18 (a) **Receives Medicare reimbursement on the basis of diagnostic related groups;**

19 (b) **As of January 1, 2025, was classified by the Centers for Medicare and Medicaid Ser-**  
20 **vices as a rural referral center in accordance with 42 U.S.C. 1395ww(d)(5)(C)(i);**

21 (c) **As of January 1, 2025, was classified by the Centers for Medicare and Medicaid Ser-**  
22 **vices as a sole community hospital in accordance with 42 U.S.C. 1395ww(d)(5)(D)(iii);**

23 (d) **As of January 1, 2025, was designated by the authority as a Level III trauma hospital;**

24 (e) **As of January 1, 2025, had fewer than 200 acute care licensed beds;**

25 (f) **Maintains a cardiac catheterization laboratory that is equipped, staffed and capable**  
26 **of providing routine primary percutaneous coronary interventions; and**

27 (g) **(A) Operates as a nonprofit organization described in section 501(c)(3) of the Internal**  
28 **Revenue Code that is exempt from income tax under section 501(a) of the Internal Revenue**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **Code; or**

2 **(B) Is owned and operated by the state or a political subdivision of the state.**

3 **(4) Notwithstanding ORS 414.743, a coordinated care organization shall reimburse a hos-**  
4 **pital that meets the criteria under subsection (3) of this section at the rates described in**  
5 **subsection (2) of this section.**

6 **(5) At any time that the authority increases the reimbursement rates that are paid to**  
7 **hospitals that do not meet the criteria under subsection (3) of this section, the authority and**  
8 **a coordinated care organization shall increase the rates described in subsection (2) of this**  
9 **section by an equivalent percentage.**

10 **SECTION 2. Section 1 of this 2025 Act applies to contracts between a coordinated care**  
11 **organization and the Oregon Health Authority entered into, amended or renewed on or after**  
12 **the effective date of this 2025 Act.**

13 **SECTION 3. This 2025 Act being necessary for the immediate preservation of the public**  
14 **peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect**  
15 **July 1, 2025.**

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