

**HB 4047 STAFF MEASURE SUMMARY**

Carrier: Rep. Diehl

**Joint Committee On Ways and Means****Action Date:** 02/25/26**Action:** Do Pass.**House Vote****Yeas:** 13 - Bowman, Breese-Iverson, Elmer, Evans, Gomberg, Levy E, Nosse, Owens, Reschke, Ruiz, Sanchez, Smith G, Valderrama**Senate Vote****Yeas:** 7 - Anderson, Frederick, Girod, Lieber, McLane, Neron Misslin, Sollman**Exc:** 4 - Campos, Manning Jr, Smith DB, Starr**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** MaryMichelle Sosne, Fiscal Analyst**Meeting Dates:** 2/23, 2/25**WHAT THE MEASURE DOES:**

The measure authorizes hospitals to apply for licensure to operate as a rural emergency hospital and directs the Oregon Health Authority (OHA) to establish and assess a licensing fee for this new designation. Any additional staffing or resources required to administer the program will be funded through fee revenue. The measure takes effect on the 91st day following adjournment sine die.

Fiscal impact: The measure is expected to have a minimal fiscal impact on OHA.

Revenue impact: The measure has no revenue impact.

**ISSUES DISCUSSED:**

The fiscal impact of the measure.

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Section 125 of the federal Consolidated Appropriations Act (2021) established the Rural Emergency Hospital (REH) designation. In November 2022, the U.S. Centers for Medicare & Medicaid Services (CMS) published a final rule for REHs as a new type of Medicare provider, establishing conditions of participation, payment and enrollment policies, and quality measure reporting requirements. REH conditions of participation closely align with those of Critical Access Hospitals (CAHs). The goal of REHs is to address hospital closures and promote health equity for rural communities by improving access to health services, including emergency department services, observation care, and some additional outpatient services. To become an REH, a facility must meet certain criteria, including having been enrolled and certified to participate in Medicare as of December 27, 2020, and either be a CAH or operate as a rural hospital with no more than 50 beds.

There are 37 rural and remote hospitals in Oregon. Rural hospitals are classified based on the number of beds, proximity to another acute inpatient care facility, and status as a referral center. Type A hospitals are defined as being small, with 50 or fewer beds, remote, and more than 30 miles from another acute inpatient care facility. Type B hospitals are small, with 50 or fewer beds, rural, and located 30 miles or less from another acute inpatient care facility.