

Secretary of State  
**NOTICE OF PROPOSED RULEMAKING HEARING**  
A Statement of Need and Fiscal Impact accompanies this form.

Oregon Health Authority (OHA), Health Systems Division, Medical Assistance Programs (Division)	410
Agency and Division	Administrative Rules Chapter Number
Sandy Cafourek	500 Summer St NE, Salem, OR 97301
Rules Coordinator	Address
	(503) 945-6430
	Telephone

**RULE CAPTION**

Hospital Assessment Rate Decrease

---

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

July 19, 2016	10:30 a.m.	500 Summer St. NE, Salem, OR 97301	Room 160	Sandy Cafourek
Hearing Date	Time	Location		Hearings Officer

*Auxiliary aids for persons with disabilities are available upon advance request.*

**RULEMAKING ACTION**

Secure approval of new rule numbers (Adopted or Renumbered rules) with the Administrative Rules Unit prior to filing.

**ADOPT:**

**AMEND:** OAR 410-050-0861

**REPEAL:** OAR 410-050-0861(T)

**RENUMBER:**

**AMEND & RENUMBER:**

Stat. Auth. : ORS 413.042

Other Auth.:

Stats. Implemented: Sections 1 through 14, Chapter 736, Oregon Laws 2003, as amended by sections 1 through 14, Chapter 736, Oregon Laws 2003, sections 1 through 2, Chapter 757, Oregon Laws 2005, sections 1 through 6, Chapter 780, Oregon Laws 2007, section 49 through 54, Chapter 828, Oregon Laws 2009, sections 17 through 23, Chapter 867, Oregon Laws 2009, and sections 2 through 10, Chapter 608, Oregon Laws 2013, and section 2, House Bill 2395, 2015 Regular Session.

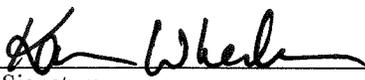
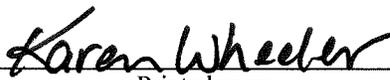
**RULE SUMMARY**

This proposed hospital assessment rule decreases the hospital assessment rate from 5.80% to 5.3% effective April 1, 2016.

The agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing the negative economic impact of the rule on business.

July 21, 2016 by 5 p.m. Send written comments to: [dmap.rules@state.or.us](mailto:dmap.rules@state.or.us)

**Last Day for Public Comment** (Last day to submit written comments to the Rules Coordinator)

		
Signature	Printed name	Date

**Note:** Hearing Notices must be submitted by the 15th day of the month to be published in the next month's *Oregon Bulletin*.

**STATEMENT OF NEED AND FISCAL IMPACT**

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Oregon Health Authority (Authority), Health Systems Division (Division)  
Agency and Division

410

Administrative Rules Chapter Number

Hospital Assessment Rate Decrease

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of: The amendment of OAR 410-050-0861 and the repeal of OAR 410-050-0861(T)

Statutory Authority: ORS 413.042

Other Authority:

Stats. Implemented: Sections 1 through 14, Chapter 736, Oregon Laws 2003, as amended by sections 1 through 14, Chapter 736, Oregon Laws 2003, sections 1 through 2, Chapter 757, Oregon Laws 2005, sections 1 through 6, Chapter 780, Oregon Laws 2007, section 49 through 54, Chapter 828, Oregon Laws 2009, sections 17 through 23, Chapter 867, Oregon Laws 2009, and sections 2 through 10, Chapter 608, Oregon Laws 2013, and section 2, House Bill 2395, 2015 Regular Session.

Need for the Rule(s): The Division amended the hospital assessment rule, OAR 410-050-0861, to change the hospital assessment rate from 5.8% to 5.3%, effective April 1, 2016. This permanent filing will replace that temporary rule. According to the statutes, the director of the Oregon Health Authority is authorized to impose an assessment rate that is the best estimate to generate the revenue needed to cover authorized Oregon Health Plan expenditures. The proposed change is based on client caseload forecasts and expenditures for health services. The Oregon Health Authority has consulted with hospital representatives on this assessment rate change, and they support the rate decrease.

Documents Relied Upon, and where they are available: The Oregon Health Authority uses caseload forecast and budget projections to model the hospital assessment revenue needed for health services. Please contact Roger Staples at [roger.staples@state.or.us](mailto:roger.staples@state.or.us) for copies of these budget documents.

Fiscal and Economic Impact: There are no additional compliance costs or savings to hospitals from this assessment rate decrease. Hospitals that are subject to the assessment will continue to report and pay quarterly assessments with annual reconciliation. The hospital assessment decrease has no impact on managed care organizations or individual healthcare providers. Managed care organizations and individual healthcare providers are not subject to the hospital assessment. The hospital assessment decrease is neutral for the Oregon Health Authority. The rate decrease does not negatively impact cash flow or the use of General Fund dollars. The rate decrease does not result in a reduction in the number of Oregon Health Plan clients or benefits.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)): Amending these rules will have no fiscal impact on the Authority, other state agencies, units of local government, the public, or businesses, including small businesses. There is no fiscal impact on other state agencies or local governments. Hospital districts operate small hospitals but those hospitals are excluded from the hospital provider assessment. The impact of the hospital assessment increase on Oregon Health Authority clients and the public is neutral. In general, Oregon Health Authority clients benefit from the hospital assessment because the agency is able to provide health services through the Oregon Health Plan with hospital assessment revenues.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule:

There is no fiscal impact on small businesses. Small businesses, including rural hospitals, are not subject to the assessment.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services: The Oregon Health Authority does not anticipate any additional administrative activities required for compliance or costs of professional services. The reporting and record keeping activities currently required will remain unchanged.

c. Equipment, supplies, labor and increased administration required for compliance: There are no additional costs for equipment, supplies, labor, or increased administration in order to comply with this change.

How were small businesses involved in the development of this rule? Small hospitals are exempt from paying the hospital assessment and are not considered small businesses under ORS 183.310 and 183.335.

Administrative Rule Advisory Committee consulted?: No. The Oregon Health Authority discussed the assessment rate change with the hospital representatives, as required by statute. They are involved in assessment rate discussions and are consulted as part of the rate setting process.

  
Signature

  
Printed Name

5/31/16  
Date

## 410-050-0861

### Assessment Rate

- (1) The assessment rate for the period beginning January 1, 2005, and ending June 30, 2006, is .68 percent.
- (2) The assessment rate for the period beginning July 1, 2006, and ending December 31, 2007, is .82 percent.
- (3) The assessment rate for the period beginning January 1, 2008, and ending June 30, 2009, is .63 percent.
- (4) The assessment rate for the period of January 1, 2008 through June 30, 2009 does not apply to the period beginning July 1, 2009.
- (5) The assessment rate for the period beginning July 1, 2009, and ending September 30, 2009, is .15 percent.
- (6) The assessment rate for the period beginning October 1, 2009, and ending June 30, 2010, is 2.8 percent.
- (7) The assessment rate for the period beginning July 1, 2010, and ending June 30, 2011, is 2.32 percent.
- (8) The assessment rate for the period beginning July 1, 2011, and ending September 30, 2011, is 5.25 percent.
- (9) The assessment rate for the period beginning October 1, 2011, and ending December 31, 2011, is 5.08 percent.
- (10) The assessment rate for the period beginning January 1, 2012, and ending March 31, 2013, is 4.32 percent.
- (11) The assessment rate for the period beginning April 1, 2013, and ending September 30, 2014, is 5.30 percent.
- (12) The assessment rate for the period beginning October 1, 2014, and ending March 31, 2016, is 5.80 percent.
- (13) The assessment rate for the period beginning April 1, 2016, is 5.30 percent.

Stat. Auth.: ORS 413.042

Stats. Implemented: 2015 HB 2395