

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

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ARCHIVES DIVISION
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Oregon Health Authority, Division of Medical Assistance Programs

410

Agency and Division

Administrative Rules Chapter Number

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RULE CAPTION

Hospital Assessment Rate Increase

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

RULEMAKING ACTION

Secure approval of rule numbers with the Administrative Rules Unit prior to filing

ADOPT:

AMEND:

OAR 410-050-0861

REPEAL:

OAR 410-050-0861(T)

RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

AMEND AND RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

Statutory Authority:

ORS 413.042

Other Authority:

Statutes Implemented:

OL 2013, Ch. 608, Section 2; OL 2009, Ch. 867, Section 17; 2007 OL Ch. 780, Section 1; 2003 OL Ch. 736, Sections 2 & 3

RULE SUMMARY

This proposed hospital assessment rule increases the hospital assessment rate from 5.30% to 5.80% effective October 1, 2014. Upon adoption of this rule, the temporary rule, effective October 1, 2014, will be repealed.

Proposed rules are available at: <http://www.oregon.gov/DHS/admin/Pages/dwssrules/index.aspx>. For hardcopy requests, call: (503) 947-5250.

A public rulemaking hearing may be requested in writing by 10 or more people, or by an association with 10 or more members, within 21 days following the publication of the Notice of Proposed Rulemaking in the Oregon Bulletin or 28 days from the date Notice was sent to people on the agency mailing list, whichever is later. If sufficient hearing requests are received, the notice of the date and time of the rulemaking hearing must be published in the Oregon Bulletin at least 14 days before the hearing.

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative

11-21-2014 5:00 p.m.

Sandy Cafourek

dmap.rules@state.or.us

Last Day (m/d/yyyy) and Time
for public comment

Rules Coordinator Name

Email Address

*The Oregon Bulletin is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation.

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Oregon Health Authority, Division of Medical Assistance Programs
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410
Administrative Rules Chapter Number

Hospital Assessment Rate Increase

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

In the Matter of:

The proposed amendment of OAR 410-050-0861 and the proposed repeal of OAR 410-050-0861(T).

Statutory Authority:

ORS 413.042

Other Authority:

Statutes Implemented:

OL 2013, Ch. 608, Section 2; OL 2009, Ch. 867, Section 17; 2007 OL Ch. 780, Section 1; 2003 OL Ch. 736, Sections 2 & 3

Need for the Rule(s):

The hospital assessment rule, OAR 410-050-0861, was amended by temporary rule to increase the assessment rate from 5.30% to 5.80%, effective October 1, 2014. This permanent filing will replace that temporary rule. According to the hospital assessment statute, the Director of the Oregon Health Authority is authorized to impose an assessment on hospitals that is the best estimate to generate the revenue needed to cover authorized Oregon Health Plan expenditures. The current projections indicate that an assessment rate increase to 5.80%, effective October 1, 2014, would be generate the revenue needed to meet expenditure projections. As required by statute, the Oregon Health Authority consulted with hospital representatives on this assessment rate change and they support the increase to 5.80%.

Documents Relied Upon, and where they are available:

Oregon Laws 2013, Chapter 608; Oregon Laws 2009, Chapter 867; Oregon Laws 2007 Chapter 780 and Oregon Laws 2003 Chapter 736; caseload estimates and forecasts; and equilibrium model calculations. Please contact Roger Staples (roger.staples@state.or.us) for copies of these documents.

Fiscal and Economic Impact:

There are no additional costs of compliance to hospital providers resulting from the increase in the hospital provider assessment. Hospital providers that are subject to the assessment will continue to report and pay quarterly assessments with annual reconciliation. The hospital assessment increase has no impact on managed care organizations or individual health care providers. Managed care organizations and individual health care providers are not subject to the hospital provider assessment.

The hospital assessment increase is neutral for the Oregon Health Authority. The rate increase does not negatively impact cash flow or the use of general funds. The rate increase does not result in a reduction in the number of Oregon Health Plan (OHP) clients served by the Oregon Health Authority.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

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 business and types of businesses 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

If not, why?:

The Oregon Health Authority discussed the assessment rate change with the hospital representatives, stakeholders, and other affected parties that pay the provider assessment. They are involved in assessment rate discussions and are consulted as part of the rate setting process.

11-21-2014 5:00 p.m.	Sandy Cafourek	dmap.rules@state.or.us
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address

CHAPTER 410
OREGON HEALTH AUTHORITY, DIVISION OF MEDICAL ASSISTANCE PROGRAMS

DIVISION 50
TAX RULES

Hospital Tax

410-050-0861

Tax Rate

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

Stat. Auth.: ORS 413.042

Stats. Implemented: 2009 OL Ch. 867§17, 2007 OL Ch. 780§1 & 2003 OL Ch. 736§2 & 3