



Division of Medical Assistance Programs
Policy and Planning Section

Tax Rules

Chapter 410, Division 050

Effective April 1, 2016

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410-050-0700 – Definitions

The following definitions apply to OAR 410-050-0700 to 410-050-0870:

- (1) "Authority" means the Oregon Health Authority.
- (2) "Bad Debt" means the current period charge for actual or expected uncollectible accounts resulting from the extension of credit on inpatient and outpatient hospital services. Bad debt charges shall be offset by any recoveries received on accounts receivable during that current period, subject to final assessment reporting and reconciliation processes required in these rules.
- (3) "Charges for Inpatient Care" means gross inpatient charges generated from room, board, general nursing, and ancillary services provided to patients, who are expected to remain in the hospital at least overnight, and occupy a bed (as distinguished from categories of health care items or services identified in 42 CFR 433.56(a)(2)-(19) that are not charges for inpatient hospital services). Charges for inpatient care include all payors, and are not limited to Medicaid patients.
- (4) "Charges for Outpatient Care" means gross outpatient charges, generated from services provided by the hospital to a patient who is not confined overnight. These services include all ancillary and clinic facility charges (as distinguished from categories of health care items or services identified in 42 CFR 433.56(a)(1) and (3)-(19) that are not charges for outpatient hospital services). Charges of outpatient care include all payors and are not limited to Medicaid charges.
- (5) "Charity Care" means costs for providing inpatient or outpatient care services free of charge or at a reduced charge because of the indigence or lack of health insurance of the patient receiving the care services. Charity care results from a hospital's policy as reflected in its official financial statements to provide inpatient or outpatient hospital care services free of charge or at a reduced charge to individuals who meet financial criteria. Charity care does not include any amounts above the payments by the Authority that constitute payment in full under ORS 414.065(3), or above the payment rate established by contract with a prepaid managed care health services organization or health insurance entity for inpatient or outpatient care provided pursuant to such contract, or above the payment rate established under ORS 414.743 for inpatient or outpatient care reimbursed under that statute.
- (6) "Contractual Adjustments" means the difference between the amounts charged based on the hospital's full, established charges and the amount received or due from the payor.
- (7) "Declared Fiscal Year" means the fiscal year declared to the Internal Revenue Service (IRS).

(8) "Deficiency" means the amount by which the assessment, as correctly computed, exceeds the assessment, if any, reported and paid by the hospital. If, after the original deficiency has been assessed, subsequent information shows the correct amount of assessment to be greater than previously determined, an additional deficiency arises.

(9) "Delinquency" means the hospital failed to file a report when due as required under these rules or failed to pay the assessment as correctly computed when the assessment was due.

(10) "Director" means the Director of the Authority.

(11) "Hospital" means a hospital with an organized medical staff, with permanent facilities that include inpatient beds, and with medical services, including physician services and continuous nursing services under the supervision of registered nurses, to provide diagnosis and medical or surgical treatment primarily for, but not limited to, acutely ill patients and accident victims, or to provide treatment for the mentally ill. Hospital, as used in this section, does not include special inpatient care facilities as that term is defined in ORS 442.015. For purposes of these rules, the hospital shall be identified by using the federal payer identification number for the hospital.

(12) "Net Revenue" means the total amount of charges for inpatient or outpatient care provided by the hospital to patients, less charity care, bad debts, and contractual adjustments. Net revenue does not include revenue derived from sources other than inpatient or outpatient operations, including but not limited to, interest and guest meals and any revenue that is taken into account in computing a long term care assessment under the long term facility assessment.

(13) "Waivered Hospital" means a Type A or Type B hospital as described in ORS 442.470, or a hospital that provides only psychiatric care.

[Publications: Publications referenced are available from the agency.]

Stat. Auth.: ORS 413.042

Stats. Implemented: 2015 HB 2395

410-050-0710 – General Administration

(1) The purpose of these rules is to implement the assessment imposed on hospitals in Oregon.

(2) The Authority shall administer, enforce, and collect the hospital assessment. The Authority may assign employees, auditors, and other agents as designated by the Director to assist in the administration, enforcement, and collection of the assessments.

(3) The Authority may adopt forms and reporting requirements, and change the forms and reporting requirements, as necessary, to administer, enforce, and collect the assessments.

(4) The Authority may not use moneys from the Hospital Quality Assurance Fund to supplant, directly or indirectly, other moneys made available to fund services described in Section 9, Chapter 736, Oregon Laws 2003 as amended by Section 2, Chapter 757, Oregon Laws 2005.

Stat. Auth.: ORS 413.042

Stats. Implemented: 2015 HB 2395

410-050-0720 – Disclosure of Information

(1) Except as otherwise provided by law, the Authority may not publicly divulge or disclose the amount of income, expense, or other particulars set forth or disclosed in any report or return required in the administration of the assessments. Particulars include but are not limited to social security numbers, employer numbers, or other hospital identification numbers, and any business records required to be submitted to or inspected by the Authority or its designee to allow it to determine the amounts of any assessments, delinquencies, deficiencies, penalties, or interest payable or paid, or otherwise administer, enforce, or collect a health care assessment to the extent that such information shall be exempt from disclosure under ORS 192.501(5) or other basis for exemption under Oregon's public records law.

(2) The Authority may:

(a) Furnish any hospital, or its authorized representative, upon request of the hospital or representative, with a copy of the hospital's report filed with the Authority for any quarter, or with a copy of any report filed by the hospital in connection with the report, or with a copy of any other information the Authority considers necessary;

(b) Publish information or statistics so classified as to prevent the identification of income or any particulars contained in any report or return;

(c) Disclose and give access to an officer or employee of the Authority or its designee, or to the authorized representatives of the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, the Controller General of the United States, the Oregon Secretary of State, the Oregon Department of Justice, the Oregon Department of Justice Medicaid Fraud Control Unit, and other employees of the state or federal government to the extent the Authority deems disclosure or access necessary or appropriate for the performance of official duties in the Authority's administration, enforcement, or collection of the assessments.

Stat. Auth.: ORS 413.042

Stats. Implemented: 2015 HB 2395

410-050-0730 – Entities Subject to the Hospital Assessment

Each hospital in Oregon is subject to the hospital assessment except:

- (1) Hospitals operated by the United States Department of Veterans Affairs;
- (2) Pediatric specialty hospitals providing care to children at no charge; and
- (3) Waivered hospitals, as that term is defined in OAR 410-050-0700.

Stat. Auth.: ORS 413.042, 410.070, 411.060

Stats. Implemented: 2015 HB 2395; 2

410-050-0740 – The Hospital Assessment: Calculation, Report, Due Date

(1) The amount of the assessment equals the assessment rate multiplied by the hospital's net revenue, consistent with OAR 410-050-0750, 410-050-0860, and 410-050-0861. The assessment shall be imposed on net revenues earned by the hospital on or after January 1, 2004, based on calendar quarters. The first calendar quarter begins on January 1; the second calendar quarter begins on April 1; the third calendar quarter begins on July 1; and the fourth calendar quarter begins on October 1.

(2) The assessment rate shall be determined in accordance with OAR 410-050-0860 and 410-050-0861.

(3) The hospital shall file the quarterly report on a form approved by the Authority on or before the 75th day following the end of the calendar quarter for which an assessment is due. The quarterly payment is due and shall be paid at the same time required for filing the quarterly report. The hospital shall provide all information required on the quarterly report when due. Failure to file or pay when due shall be a delinquency.

(4) The assessment becomes operative on July 1, 2004. The first due date for a quarterly assessment and report shall be 75 days from September 30, which is December 13, 2004.

(5) The fiscal year reconciliation report, including the financial statement and reconciliation statement, is due and shall be submitted to the Authority no later than the final day of the sixth calendar month after the hospital's declared fiscal year end. The fiscal year reconciliation assessment payment is due and shall be paid at the same time required for filing the fiscal year reconciliation report. The hospital shall provide all information required on the fiscal year reconciliation report when due. Failure to file or pay when due shall be a delinquency.

(6) Any report, statement, or other document required to be filed under any provision of these rules must be certified by the hospital's chief financial officer or designee. The certification shall attest, based on best knowledge, information, and belief, to the accuracy, completeness, and truthfulness of the document.

(7) Payments may be made electronically or by paper check. If the hospital pays electronically, the accompanying report may either be faxed to the Authority at the fax number provided on the report form or mailed to the address provided on the report form. If the hospital pays by paper check, the accompanying report shall be mailed with the check to the address provided on the report form.

(8) The Authority may charge the hospital a fee of \$100 if, for any reason, the check, draft, order, or electronic funds transfer request is dishonored. This charge is in addition to any penalty for nonpayment of the assessment that may also be due.

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Stat. Auth.: ORS 413.042

Stats. Implemented: 2015 HB 2395

410-050-0750 – Reporting Total Net Revenue, Use of Estimated Revenue for Quarterly Reports

(1) A hospital shall submit quarterly reports and quarterly payments for the calendar quarters for which an assessment is due consistent with sections (2) and (5) of this rule, and shall submit a fiscal year reconciliation report that includes a reconciliation statement, audited financial statement, and any fiscal year reconciliation assessment payment based on the hospital's declared fiscal year end consistent with sections (3) and (5) of this rule.

(2) The quarterly reports and quarterly assessment payments shall be based on estimated net revenue, which shall be referred to as estimated assessment. Estimated assessment is the amount of assessment the hospital expects to owe for the current calendar quarter. The hospital shall calculate the estimated assessment based on net revenues using the hospital's interim financial results for the quarter for which the assessment is due. An estimated quarterly report is due for each calendar quarter for which an assessment is due, based on the rate of assessment applicable to that quarter. The quarterly payment is due and shall be paid at the same time required for filing the quarterly report.

(3) The fiscal year reconciliation report and fiscal year reconciliation assessment payment shall be based on the amount of assessment the hospital actually owes based on annual net revenue for all calendar quarters for which an estimated assessment payment is due during the hospital's declared fiscal year. The hospital shall calculate the annual net revenue for the hospital's declared fiscal year. The fiscal year reconciliation assessment payment due shall be the calculated assessment (using the assessment rate applicable to the appropriate quarter, described in subsection (c) below for fiscal year reconciliation assessment calculation purposes) on the annual net revenue reduced by the estimated assessment payments made for each assessment quarter of the hospital's declared fiscal year. The hospital shall provide all information required in the fiscal year reconciliation report when due, even if no fiscal year reconciliation assessment payment is owed:

(a) When the fiscal year reconciliation report is submitted, it shall be accompanied by the hospital's declared fiscal year end audited financial statement for the declared fiscal year on which the fiscal year reconciliation report and fiscal year reconciliation assessment payments are based;

(b) The fiscal year reconciliation report shall include a reconciliation statement describing the relationship between the audited financial statement and annual net revenues subject to the assessment. The reconciliation statement may be descriptive in form and shall be consistent with the accounting principles used in the audited financial statement;

(c) The rate applicable to the final assessment shall be calculated as follows:

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(A) If all assessment quarters were subject to the same rate established in OAR 410-050-0160 and 410-050-0861, then the rate applicable to the final reconciliation is the assessment rate applicable to all such quarters. For example, if the hospital's declared fiscal year is July 1, 2004 to June 30, 2005, then the assessment rate is .93 percent of annual net revenue;

(B) If different assessment rates apply to calendar quarters in the hospital's declared fiscal year, the hospital shall apply a blended rate to the total annual net revenue to determine the fiscal year reconciliation assessment due. A blended rate is the average of the rates applicable to all assessment quarters. The Authority shall notify the hospital of the amount of the applicable blended rate. For example, if the hospital's declared fiscal year overlaps two quarters assessed at a rate of .93 percent and two quarters assessed at .50 percent, then the blended rate for purposes of the annual reconciliation is .715 percent. For purposes of calculating the fiscal year reconciliation assessment due, the hospital shall multiply the annual net revenue by the blended rate.

(d) If the total estimated assessment payments already paid by the hospital for the declared fiscal year exceed the amount of the fiscal year reconciliation assessment actually due, the fiscal year reconciliation report shall identify the difference and the hospital shall adjust the fiscal year reconciliation assessment due amount in the fiscal year reconciliation report for that assessment year;

(e) The fiscal year reconciliation report, audited financial statement, and reconciliation statement shall be due and submitted to the Authority no later than the final day of the sixth calendar month after the hospital's declared fiscal year end. The fiscal year reconciliation assessment payment (if owed) is due and shall be paid at the same time required for filing the fiscal year reconciliation report. Failure to file or pay when due shall be a delinquency;

(f) If the declared fiscal year end audited financial statement for the hospital is not available within the time required in subsection (e), a fiscal year reconciliation assessment payment (if owed) and fiscal year reconciliation report must be submitted within the time period specified under subsection (e). The hospital may use interim financial statements to determine the amount of the fiscal year reconciliation assessment due and may submit a justification statement with the fiscal year reconciliation report due no later than the date specified in subsection (e) signed by the hospital's chief financial officer informing the Authority when the audited financial statement is due and certifying that an amended fiscal year reconciliation report, including the reconciliation statement, shall be provided to the Authority within 30 days of the hospital's receipt of the audited financial statement. Reports and payments made after the time period required in subsection (e) shall be submitted in compliance with OAR 401-050-0760;

(g) If the hospital does not receive audited financial statements, then internal financial statements signed by the hospital's chief financial officer shall be submitted where these rules otherwise require audited financial statements;

(h) If the effective date of the assessment is not at the start of the hospital's declared fiscal year, then the annual net revenue for the first fiscal year reconciliation report shall be calculated based on the number of quarters subject to the assessment versus the total number of quarters in the hospital's declared fiscal year. For example, if the assessment is effective on July 1, 2004 for a hospital with a declared fiscal year ending December 31, 2004, the annual net revenues shall be calculated as follows: total net revenues for the declared fiscal year divided by two (two of four quarters subject to the assessment).

(4) The Authority may not find a payment deficiency for estimated quarterly assessments as long as the hospital paid the estimated assessments and submitted the quarterly report no later than the quarterly due date and the estimated assessment amount was not less than the equivalent of the assessment payment that would have been determined based on the hospital's annual net revenue for its most recent prior declared fiscal year divided by four and multiplied times the assessment rate for the quarter in which the actual estimated assessment is due. Annual net revenue for purposes of section (4) of this rule means the twelve month period in which the hospital's most recent prior declared fiscal year occurred, regardless of whether the prior quarters were subject to an assessment. For example, if the annual net revenue for the most recent prior declared fiscal year was \$4 million; divide that total by 4 (\$1 million) and multiply the product times the current assessment rate for the assessment quarter (.93 percent). In this example, the estimated quarterly assessment payment may not be less than \$9,300 in order to receive the benefit of section (4) of this rule:

(a) If the hospital seeks to use the process in section (4) of this rule, no later than the date on which the first quarterly estimated assessment and report is due (for example, December 13, 2004, for the first assessment quarter), the hospital shall provide the Authority with a copy of the hospital's audited financial statement for the hospital's most recent prior declared fiscal year and identify the hospital's annual net revenue amount for that declared fiscal year, regardless of whether any assessments were due for that year;

(b) If the hospital does not receive audited financial statements, then internal financial statements from the hospital's most recent prior declared fiscal year signed by the chief financial officer may be used for this purpose.

(5) All of the due dates for filing reports or paying assessments are established in OAR 410-050-0740, unless the Authority permits a later payment date. If a hospital requests an extension, the Authority, in its sole discretion, shall determine whether to grant an extension. There shall be a delinquency for each quarter the hospital fails to pay the estimated assessment or file the quarterly report when due. There shall be a delinquency if the hospital fails to pay the fiscal year reconciliation assessment or file

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the fiscal year reconciliation report, including financial statements and reconciliation statement, when due.

(6) A hospital shall declare the date of the hospital's declared fiscal year end for purposes of establishing final assessment reporting requirements under this rule. The declaration shall be filed with the Authority no later than December 13, 2004, or the first date that an estimated quarterly report and assessment is due. The hospital shall notify the Authority within 30 days of a change to the hospital's declared fiscal year end. A change in declared fiscal year end shall be applied to the hospital's next future declared fiscal year for purposes of calculating the final assessment and filing the final report.

Stat. Auth.: ORS 413.042

Stats. Implemented: 2015 HB 2395

410-050-0760 – Filing an Amended Report

(1) A hospital that submits a fiscal year reconciliation report without an audited financial statement shall submit an amended fiscal year reconciliation report, an audited financial statement, and such additional fiscal year reconciliation payment (if owed) for assessments and deficiencies. The information shall be submitted within 180 days after the fiscal year reconciliation report due date.

(2) Claim for Refund:

(a) If the amount of the assessment in the amended fiscal year reconciliation report is less than the amount paid by the hospital, the Authority may refund the overpayment. A refund may not exceed the assessment amount actually paid by the hospital;

(b) The hospital shall provide all information required on the report. No refunds shall be made prior to the Authority receiving the hospital's audited financial statement for the declared fiscal year. The Authority may audit the hospital, request additional information, or request an informal conference prior to granting a refund or as part of its review;

(c) If there is an amount due from the hospital to the Authority for any past due assessments or penalties, any refund otherwise allowable shall first be applied to the unpaid assessments and penalties, and the hospital notified;

(d) A hospital may not deduct from current, prospective, or future assessment payments an amount to which it claims to be entitled as a refund for a prior period. The claim for refund shall be made to the Authority.

(3) Payment of Delinquency:

(a) If the amount of the annual assessment imposed is more than the amount paid by the hospital, the hospital shall file an amended fiscal year reconciliation report and pay the additional fiscal year reconciliation assessment and deficiency. The penalty under OAR 410-050-0800 shall stop accruing after the Authority receives the amended fiscal year reconciliation report, the annual audited financial statement, and payment of the total fiscal year reconciliation assessment and deficiency for year; except to the extent provided in OAR 410-050-0750(4)(a);

(b) No refunds shall be made prior to the Authority receiving the hospital audited financial statement for the declared fiscal year. The Authority may audit the hospital, request additional information, or request an informal conference prior to granting a refund or as part of its review;

(c) If there is an error in the determination of the assessment due, the hospital may describe the circumstances of the late additional payment with the filing of the

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amended report. The Authority, in its sole discretion, may determine that the late additional payment does not constitute a failure to file a report or pay an assessment giving rise to the imposition of a penalty. In making this determination, the Authority shall consider the circumstances, including but not limited to: nature and extent of the error; hospital explanation of the circumstances related to the error; evidence of prior errors; and evidence of prior penalties (including evidence of informal dispositions or settlement agreements). This provision only applies if the hospital has filed a timely original report and paid the assessment identified in the report.

(4) If the Authority discovers or identifies information in the administration of these assessment rules that it determines could give rise to the issuance of a notice of proposed action, the Authority shall issue notification pursuant to OAR 410-050-0810.

Stat. Auth.: ORS 413.042

Stats. Implemented: 2015 HB 2395

410-050-0770 – Determining the Date Filed

(1) For the purposes of these rules, any reports, requests, appeals, payments, or other response by the hospital shall be received by the Authority either:

- (a) Before the close of business on the date due; or
- (b) If mailed, postmarked before midnight of the due date.

(2) When the due date falls on a Saturday, Sunday, or a legal holiday, the date filed is on the next business day following the Saturday, Sunday, or legal holiday.

Stat. Auth.: ORS 413.042

Stats. Implemented: 2015 HB 2395

410-050-0780 – Records Audit by the Authority

(1) The hospital shall maintain financial records necessary and adequate to determine the net revenue for any calendar period for which an assessment may be due.

(2) The Authority or its designee may audit the hospital's records at any time for a period of five years following the date the assessment is due to verify or determine the hospital's net revenue.

(3) The Authority may issue a notice of deficiency or issue a refund based upon its audit findings.

(4) Any audit, finding, or position may be reopened if there is evidence of fraud, malfeasance, concealment, misrepresentation of material fact, omission of income, or collusion either by the hospital or by the hospital and a representative of the Authority.

Stat. Auth.: ORS 413.042

Stats. Implemented: 2015 HB 2395

410-050-0790 – Determining Assessment for Hospital Failure to File

(1) The law places an affirmative duty on the hospital to file a timely and correct report.

(2) In the case of a failure by the hospital to file a report or to maintain necessary and adequate records, the Authority shall determine the hospital's assessment liability according to the best of its information and belief. Best of its information and belief means the Authority shall use evidence available to the Authority at the time of the determination on which a reasonable person would rely on in determining the assessment. The Authority's determination of assessment liability shall be the basis for the assessment due in any notice of proposed action.

Stat. Auth.: ORS 413.042

Stats. Implemented: 2015 HB 2395

410-050-0800 – Financial Penalty for Failure to File a Report or Failure to Pay Tax When Due

(1) A hospital that fails to file a quarterly report or pay a quarterly assessment when due shall be subject to a penalty of up to \$500 per day of delinquency. The Authority, in its sole discretion, shall determine the penalty for failure to pay the assessment or file a report. In making this determination, the Authority shall consider evidence such as prior late payments, prior penalties, and circumstances related to delinquency. The penalty accrues from the date of delinquency, notwithstanding the date of any notice under these rules.

(2) A hospital that fails to file a fiscal year reconciliation report when due is subject to a penalty of up to \$500 per day of delinquency. The Authority, in its sole discretion, shall determine the penalty for failure to pay the assessment or file a report. In making this determination, the Authority shall consider evidence such as prior late payments, prior penalties, and circumstances related to delinquency. The penalty accrues from the date of delinquency, notwithstanding the date of any notice under these rules.

(3) A hospital that files a fiscal year reconciliation report, but fails to pay a fiscal year reconciliation assessment when due is subject to a penalty of up to \$500 per day of delinquency up to a maximum of five percent of the amount due. The Authority, in its sole discretion, shall determine the penalty for failure to pay the reconciliation assessment payment or file a fiscal year reconciliation report. In making this determination, the Authority shall consider evidence such as prior late payments, prior penalties, and circumstances related to delinquency. The penalty accrues from the date of delinquency, notwithstanding the date of any notice under these rules.

(4) The total amount of penalty imposed under this section for each reporting period may not exceed five percent of the assessment for the reporting period for which penalty is being imposed.

(5) The Authority shall collect any penalties imposed under this section and deposit the funds in the Authority's account established under ORS 413.101.

(6) Penalties paid under this section are in addition to the hospital's assessment liability.

(7) If the Authority determines that a hospital is subject to a penalty, the Authority shall issue a notice of proposed action as described in OAR 410-050-0810.

(8) If a hospital requests a contested case hearing pursuant to OAR 410-050-0830, the Director, at the Director's sole discretion, may waive or reduce the amount of penalty assessed.

Stat. Auth.: ORS 413.042

Stats. Implemented: 2015 HB 2395

410-050-0810 – Notice of Proposed Action

(1) Prior to issuing a notice of proposed action, the Authority shall notify the hospital of the potential deficiency or failure to report that could give rise to the imposition of a penalty. The Authority shall issue a notification letter within 30 calendar days of the report or payment due date. The hospital shall have 30 calendar days from the date of the notice to respond. The Authority may consider the response and any amended final report under OAR 410-050-0760 in its notice of proposed action. In all cases that the Authority has determined that a hospital has an assessment deficiency or failure to report, the Authority shall issue a notice of proposed action. The Authority may not issue a notice of proposed action if the issue is resolved satisfactorily within 59 days from the date of mailing the notification letter.

(2) The Authority shall issue a notice of proposed action within 60 calendar days from the date of mailing the notification letter.

(3) Contents of the notice of proposed action shall include:

- (a) The applicable reporting period;
- (b) The basis for determining the corrected amount of assessment;
- (c) The corrected assessment due as determined by the Authority;
- (d) The amount of assessment paid by the hospital;
- (e) The resulting deficiency, which is the difference between the amount received by the Authority and the corrected amount due as determined by the Authority;
- (f) Statutory basis for the penalty;
- (g) Amount of penalty per day of delinquency;
- (h) Date upon which the penalty began to accrue;
- (i) Date the penalty stopped accruing or circumstances under which the penalty shall stop accruing;
- (j) The total penalty accrued up to the date of the notice;
- (k) Instructions for responding to the notice; and
- (l) A statement of the hospital's right to a hearing.

Stat. Auth.: ORS 413.042

Stats. Implemented: 2015 HB 2395

410-050-0820 – Required Notice

(1) The Authority shall send any required notice to the address and contact person identified by the hospital on its most recently filed report.

(2) Any notice required to be sent to the Authority shall be sent to the point of contact identified on the communication from the Authority to the hospital.

Stat. Auth.: ORS 413.042

Stats. Implemented: 2015 HB 2395

410-050-0830 – Hearing Process

(1) Any hospital that receives a notice of proposed action may request a contested case hearing under ORS 183.

(2) The hospital may request a hearing by submitting a written request within 20 days of the date of the notice of proposed action.

(3) Prior to the hearing, the hospital shall meet with the Authority for an informal conference:

(a) The informal conference may be used to negotiate a written settlement agreement.

(b) If the settlement agreement includes a reduction or waiver of penalties, the agreement shall be approved and signed by the Director.

(4) Except as provided in section (5) of this rule, if the case proceeds to a hearing, the administrative law judge shall issue a proposed order. The Authority shall issue a final order.

(5) Nothing in this section shall preclude the Authority and the hospital from agreeing to informal disposition of the contested case at any time, consistent with ORS 183.415(5).

Stat. Auth.: ORS 413.042

Stats. Implemented: 2015 HB 2395

410-050-0840 – Final Order of Payment

A final order of payment is a final Authority action, expressed in writing, based on a notice of proposed action where a payment amount is due to the Authority. The Authority shall issue a final order of payment for deficiencies or penalties when:

- (1) The hospital did not make a timely request for a hearing;
- (2) Any part of the deficiency and penalty was upheld after a hearing; or
- (3) Upon the agreement of the hospital and the Authority.

Stat. Auth.: ORS 413.042

Stats. Implemented: 2015 HB 2395

410-050-0850 – Remedies Available after Final Order of Payment

Any amounts due and owing under the final order of payment and any interest thereon may be recovered by Oregon as a debt to the state, using any available legal and equitable remedies. These remedies include, but are not limited to:

(1) Collection activities including, but not limited to, deducting the amount of the final deficiency or penalty from any sum then or later owed to the hospital by the Authority; and

(2) Every payment obligation owed by the hospital to the Authority under a final order of payment shall bear interest at the statutory rate of interest in ORS 82.010 accruing from the date of the final order of payment and continuing until the payment obligation, including interest, has been discharged.

Stat. Auth.: ORS 413.042

Stats. Implemented: 2015 HB 2395

410-050-0860 – Director Determines Assessment Rate

(1) The Director shall determine the assessment rate.

(2) The assessment rate for the period beginning January 1, 2004 through June 30, 2004 is 0 percent. The assessment rate for the period beginning July 1, 2004 through December 31, 2004 is .95 percent.

(3) The Director may reduce the rate of assessment to the maximum rate allowed under federal law if the reduction is required to comply with federal law. If the rate is reduced pursuant to this section, the Director shall notify the hospitals as to the effective date of the rate reduction.

(4) A hospital is not guaranteed that any additional moneys paid to the hospital in the form of payments for services will equal or exceed the amount of the assessment paid by the hospital.

Stat. Auth.: ORS 413.042

Stats. Implemented: 2015 HB 2395

410-050-0861 – Assessment Rate (T)

(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

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410-050-0870 – Sunset Provisions

The hospital assessment applies to net revenue received by hospitals on or after January 1, 2004 and before October 1, 2019.

Stat. Auth.: ORS 413.042

Stats. Implemented: 2015 HB 2395