

Business Tax Administrative Rule 500.19-3

Clean Energy Surcharge (CES) - Qualified Health Care Services

“Qualified Health Care Services” means any services that involve the provision of health care to the public, including, but not limited to, doctor, medical clinic and hospital visits and all related services, health insurance, and any care provided by senior care facilities or rehabilitation facilities. This definition includes, but is not limited to, all services defined as “health care services” under ORS 750.005(5).

The term “Qualified Health Care Services”,

as it refers to “doctor,” means a charge for the labor of a licensed physician as determined by a state licensing board, e.g., Oregon Medical Board;

as it refers to “medical clinic and hospital visits,” means a charge for the labor of an employee or authorized contractor working within a medical care facility or hospital regulated by the Oregon Health Authority;

as it refers to “related services,” means services provided outside the corporate control of a “medical clinic” or “hospital” where such provision is the result of referral by an employee of or an authorized contractor working within a “medical clinic” or “hospital”;

as it refers to “health insurance,” means all offerings of health insurance products regulated by the Oregon Division of Financial Regulation;

as it refers to “senior care facilities,” means facilities operating to provide services to seniors who are otherwise unable to care for one or more basic life functions, including, but not limited to, nutrition, hygiene, and safety. Examples include residential care, assisted living, and nursing facilities. All facilities falling under this definition are regulated by the Oregon Department of Human Services. This exemption does not include retirement homes not regulated by the Oregon Department of Human Services or, where regulated, does not include retirement homes where occupancy is a matter of personal choice and convenience, rather than medical necessity;

as it refers to “rehabilitation facilities,” means the practices of licensed professionals and entities regulated by the Oregon Health Authority.

This term also includes all services exempt per ORS 731.162 and any service defined in ORS 750.005.

Example 1

Company A has \$1.5 billion in gross income from Retail Sales everywhere with \$1 million of these Retail Sales in the City. \$600,000 of the Retail Sales in the City were from the sale of Qualified Health Care Services (such as a licensed physician visit, surgery performed by a licensed physician, or health insurance products regulated by the Oregon Division of Financial Regulation). Company A may deduct the Qualified Health Care Services amount of \$600,000 to arrive at Retail Gross Revenue of \$400,000. Company A will pay CES based on the Retail Gross Revenue of \$400,000.