

A-Engrossed
House Bill 2581

Ordered by the House April 1
Including House Amendments dated April 1

Sponsored by Representative ROBLAN; Representatives BARNHART, BENTZ, BERGER, BEYER, BOONE, BRUUN, CAMERON, CLEM, COWAN, D EDWARDS, ESQUIVEL, GARRARD, GELSER, GILLIAM, HOLVEY, KENNEMER, KOTEK, KRIEGER, MATTHEWS, MAURER, SCHAUFLE, SHIELDS, SPRENGER, STIEGLER, THATCHER, VANORMAN, WEIDNER, WHISNANT, Senators METSGER, VERGER

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Transfers administration of Rural Health Services Program from Oregon Student Assistance Commission to Office of Rural Health. Amends definition of "qualifying practice site" to refer to federal Rural Health Clinics Act of 1977.

A BILL FOR AN ACT

1
2 Relating to rural health; creating new provisions; amending ORS 442.550, 442.555, 442.560 and
3 442.570; and appropriating money.

4 **Be It Enacted by the People of the State of Oregon:**

5
6 **TRANSFER**

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8 **SECTION 1. The duties, functions and powers of the Oregon Student Assistance Com-**
9 **mission relating to the Rural Health Services Program described in ORS 442.550 to 442.570**
10 **are imposed upon, transferred to and vested in the Office of Rural Health.**

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12 **RECORDS AND PROPERTY**

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14 **SECTION 2. (1) The Executive Director of the Oregon Student Assistance Commission**
15 **shall deliver to the Office of Rural Health all records and property within the jurisdiction of**
16 **the executive director that relate to the duties, functions and powers transferred by section**
17 **1 of this 2009 Act.**

18 **(2) The Governor shall resolve any dispute between the Oregon Student Assistance**
19 **Commission and the Office of Rural Health relating to transfers of records and property**
20 **under this section, and the Governor's decision is final.**

21
22 **UNEXPENDED REVENUES**

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24 **SECTION 3. (1) The unexpended balances of amounts authorized to be expended by the**
25 **Oregon Student Assistance Commission for the biennium beginning July 1, 2009, from re-**
26 **venues dedicated, continuously appropriated, appropriated or otherwise made available for**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 the purpose of administering and enforcing the duties, functions and powers transferred by
2 section 1 of this 2009 Act are transferred to and are available for expenditure by the Office
3 of Rural Health for the biennium beginning July 1, 2009, for the purpose of administering and
4 enforcing the duties, functions and powers transferred by section 1 of this 2009 Act.

5 (2) The expenditure classifications, if any, established by Acts authorizing or limiting
6 expenditures by the Oregon Student Assistance Commission remain applicable to expen-
7 ditures by the Office of Rural Health under this section.

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9 **ACTION, PROCEEDING, PROSECUTION**

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11 **SECTION 4.** The transfer of duties, functions and powers to the Office of Rural Health
12 by section 1 of this 2009 Act does not affect any action, proceeding or prosecution involving
13 or with respect to such duties, functions and powers begun before and pending at the time
14 of the transfer, except that the Office of Rural Health is substituted for the Oregon Student
15 Assistance Commission in the action, proceeding or prosecution.

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17 **LIABILITY, DUTY, OBLIGATION**

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19 **SECTION 5.** (1) Nothing in sections 1 to 6 of this 2009 Act relieves a person of a liability,
20 duty or obligation accruing under or with respect to the duties, functions and powers
21 transferred by section 1 of this 2009 Act. The Office of Rural Health may undertake the col-
22 lection or enforcement of any such liability, duty or obligation.

23 (2) The rights and obligations of the Oregon Student Assistance Commission legally in-
24 curred under contracts, leases and business transactions executed, entered into or begun
25 before the effective date of this 2009 Act accruing under or with respect to the duties,
26 functions and powers transferred by section 1 of this 2009 Act are transferred to the Office
27 of Rural Health. For the purpose of succession to these rights and obligations, the Office of
28 Rural Health is a continuation of the Oregon Student Assistance Commission and not a new
29 authority.

30
31 **RULES**

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33 **SECTION 6.** Notwithstanding the transfer of duties, functions and powers by section 1
34 of this 2009 Act, the rules of the Oregon Student Assistance Commission with respect to
35 such duties, functions or powers that are in effect on the effective date of this 2009 Act
36 continue in effect until superseded or repealed by rules of the Office of Rural Health. Ref-
37 erences in such rules of the Oregon Student Assistance Commission to the Oregon Student
38 Assistance Commission or an officer or employee of the Oregon Student Assistance Com-
39 mission are considered to be references to the Office of Rural Health or an officer or em-
40 ployee of the Office of Rural Health.

41 **SECTION 7.** Whenever, in any uncodified law or resolution of the Legislative Assembly
42 or in any rule, document, record or proceeding authorized by the Legislative Assembly, in
43 the context of the duties, functions and powers transferred by section 1 of this 2009 Act,
44 reference is made to the Oregon Student Assistance Commission, or an officer or employee
45 of the Oregon Student Assistance Commission, whose duties, functions or powers are

1 transferred by section 1 of this 2009 Act, the reference is considered to be a reference to the
2 Office of Rural Health or an officer or employee of the Office of Rural Health who by this
3 2009 Act is charged with carrying out such duties, functions and powers.

4
5 **RURAL HEALTH SERVICES PROGRAM**

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7 **SECTION 8.** ORS 442.550 is amended to read:

8 442.550. As used in ORS 442.550 to 442.570:

9 [(1) "Commission" means the Oregon Student Assistance Commission.]

10 [(2)] (1) "Dentist" means any person licensed to practice dentistry under ORS chapter 679.

11 [(3)] (2) "Nurse practitioner" means any person licensed under ORS 678.375.

12 (3) "Office" means the Office of Rural Health.

13 (4) "Pharmacist" means any person licensed as a pharmacist under ORS chapter 689.

14 (5) "Physician" means any person licensed to practice medicine under ORS chapter 677.

15 (6) "Physician assistant" means any person licensed under ORS 677.495 and 677.505 to 677.525.

16 (7) "Qualifying loan" means any loan made to a medical student, physician assistant student,
17 dental student, pharmacy student or nursing student under:

18 (a) Common School Fund loan program under ORS 348.040 to 348.090;

19 (b) Programs under Title IV parts B, D and E, of the Higher Education Act of 1965, as amended;
20 and

21 (c) The Health Professions Student Loan, Nursing Student Loan, Health Education Assistance
22 Loan and Primary Care Loan programs administered by the United States Department of Health and
23 Human Services.

24 (8) "Qualifying practice site" means:

25 (a) A rural hospital as defined in ORS 442.470;

26 (b) A rural health clinic as defined in the federal Rural Health Clinics Act of 1977 (P.L.
27 95-210);

28 (c) A pharmacy that is located in a medically underserved rural community in Oregon or a
29 federally designated health professional shortage area and that is not part of a group of six or more
30 pharmacies under common ownership; or

31 (d) Another practice site in a medically underserved rural community in Oregon.

32 **SECTION 9.** ORS 442.555 is amended to read:

33 442.555. (1) There is created the Rural Health Services Program, to be administered by the
34 [Oregon Student Assistance Commission] Office of Rural Health, pursuant to rules adopted by the
35 [commission] office. The purpose of the program is to provide loan repayments on behalf of physi-
36 cians, physician assistants, dentists, pharmacists and nurse practitioners who agree to practice in
37 a qualifying practice site.

38 (2) To be eligible to participate in the program, a prospective physician, physician assistant,
39 dentist, pharmacist or nurse practitioner shall submit a letter of interest to the [commission]
40 office. Applicants who are selected for participation according to criteria adopted by the [commis-
41 sion in consultation with the Office of Rural Health] office shall sign a letter of agreement stipulating
42 that the applicant agrees to abide by the terms stated in ORS 442.560.

43 (3) Subject to available resources, the [commission] office may enter into agreements with not
44 to exceed 10 prospective physicians, 10 prospective physician assistants, 10 prospective dentists, 10
45 prospective pharmacists and 10 prospective nurse practitioners each year. The [commission] office

1 may give preference to prospective physicians, physician assistants, dentists, pharmacists and nurse
 2 practitioners who agree to practice in a community that has contributed funds to the Rural Health
 3 Services Fund.

4 (4) The office [*of Rural Health*] shall adopt criteria to be applied to determine medically under-
 5 served communities and qualifying practice sites for purposes of ORS 442.550 to 442.570 and for the
 6 purposes of compliance with [*federal Public Law 95-210*] **the federal Rural Health Clinics Act of**
 7 **1977 (P.L. 95-210)**, establishing rural health clinics.

8 (5) A qualifying practice site shall submit an application to the office [*of Rural Health*] to par-
 9 ticipate in the program. The office shall make a list of qualifying practice sites available to pro-
 10 spective physicians, physician assistants, dentists, pharmacists and nurse practitioners.

11 **SECTION 10.** ORS 442.560 is amended to read:

12 442.560. (1) Prospective physicians, physician assistants, dentists, pharmacists and nurse practi-
 13 tioners who wish to participate in the Rural Health Services Program shall agree that:

14 (a) For each year of medical, physician assistant, dental, pharmacy or graduate school, the ap-
 15 plicant designates an agreed amount, not to exceed \$25,000, as a qualifying loan subject to ORS
 16 442.550 to 442.570.

17 (b) In the time period immediately following the completion of all residency requirements or the
 18 time period immediately following the execution of a Rural Health Services agreement with the
 19 [*Oregon Student Assistance Commission*] **Office of Rural Health**, whichever comes later, a physician
 20 or dentist agrees to practice for at least three full years in a rural hospital as defined in ORS
 21 442.470, in a rural health clinic or in a medically underserved rural community in Oregon.

22 (c) For not less than three nor more than five years that a physician or dentist serves in a rural
 23 hospital as defined in ORS 442.470, in a rural health clinic or in a medically underserved rural
 24 community, the [*commission*] **office** shall annually pay an amount that is a percentage of the total
 25 of all qualifying loans made to the physician or dentist through the programs described in ORS
 26 442.550.

27 (d) In the time period immediately following the completion of physician assistant or graduate
 28 school or the time period immediately following the execution of a Rural Health Services agreement
 29 with the [*commission*] **office**, whichever comes later, a physician assistant or nurse practitioner
 30 agrees to practice for at least two years in a rural hospital as defined in ORS 442.470, in a rural
 31 health clinic or in a medically underserved rural community in Oregon.

32 (e) For not less than two nor more than four years that a physician assistant or nurse practi-
 33 tioner practices in a rural hospital as defined in ORS 442.470, in a rural health clinic or in a med-
 34 ically underserved rural community, the [*commission*] **office** shall annually pay an amount that is a
 35 percentage of the total of all qualifying loans made to the physician assistant or nurse practitioner
 36 through the programs described in ORS 442.550.

37 (f) In the time period immediately following the completion of all pharmacy residency require-
 38 ments or the time period immediately following the execution of a Rural Health Services agreement
 39 with the [*commission*] **office**, whichever comes later, a pharmacist agrees to practice for at least
 40 three full years in a rural hospital as defined in ORS 442.470, in a rural health clinic, in a medically
 41 underserved rural community in Oregon or in a pharmacy that is located in a medically underserved
 42 rural community in Oregon or a federally designated health professional shortage area and that is
 43 not part of a group of six or more pharmacies under common ownership.

44 (g) For not less than three nor more than five years that a pharmacist serves in a rural hospital
 45 as defined in ORS 442.470, in a rural health clinic, in a medically underserved rural community or

1 in a pharmacy that is located in a medically underserved rural community or a federally designated
2 health professional shortage area and that is not part of a group of six or more pharmacies under
3 common ownership, the [commission] **office** shall annually pay an amount that is a percentage of the
4 total of all qualifying loans made to the pharmacist through the programs described in ORS 442.550.

5 (2) If the participant does not complete the full service obligation set forth in subsection (1)(b),
6 (d) or (f) of this section, the [commission] **office** shall collect 100 percent of any payments made by
7 the [commission] **office** to the participant under this program. In addition, a penalty equal to 50
8 percent of the qualifying loans and interest paid by the [commission] **office** shall be assessed by the
9 [commission] **office**, to be credited to and deposited in the Rural Health Services Fund established
10 under ORS 442.570.

11 (3) The [*Oregon Student Assistance Commission, in consultation with the Office of Rural Health,*]
12 **office** shall establish rules to allow waiver of all or part of the fees and penalties owed to the
13 [commission] **office** due to circumstances that prevent the participant from fulfilling the service ob-
14 ligation.

15 **SECTION 11.** ORS 442.570 is amended to read:

16 442.570. (1) There is established in the State Treasury a fund, separate and distinct from the
17 General Fund, to be known as the Rural Health Services Fund[.]. **Moneys in the Rural Health**
18 **Services Fund are continuously appropriated to the Office of Rural Health** for investments as
19 provided by ORS 293.701 to 293.820[,] **and** for the payment of expenses of the [*Oregon Student As-*
20 *sistance Commission*] **office** in carrying out the purposes of ORS 315.613, 315.616, 315.619, 353.450,
21 442.470, 442.503 and 442.550 to 442.570. Interest earned by the [account] **Rural Health Services**
22 **Fund** shall be credited to the [account] **fund**.

23 (2) The office [*of Rural Health*] shall seek matching funds from communities that benefit from
24 placement of practitioners under ORS 442.550 to 442.570. The office shall establish a program to
25 enroll interested communities in this program and deposit money proceeds from this effort in the
26 Rural Health Services Fund. In addition, the office shall explore other funding sources including
27 federal grant programs.

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29 **UNIT CAPTIONS**

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31 **SECTION 12.** **The unit captions used in this 2009 Act are provided only for the conven-**
32 **ience of the reader and do not become part of the statutory law of this state or express any**
33 **legislative intent in the enactment of this 2009 Act.**