

House Bill 2581

Sponsored by Representative ROBLAN; Representatives BARNHART, BERGER, BEYER, BOONE, BRUUN, CLEM, COWAN, ESQUIVEL, GARRARD, GELSER, GILLIAM, HOLVEY, KENNEMER, KRIEGER, MATTHEWS, MAURER, SCHAUFLEER, 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 **as introduced**.

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:**

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.

RECORDS, PROPERTY, EMPLOYEES

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14 **SECTION 2.** (1) The Executive Director of the Oregon Student Assistance Commission
15 shall:

16 (a) Deliver to the Office of Rural Health all records and property within the jurisdiction
17 of the executive director that relate to the duties, functions and powers transferred by sec-
18 tion 1 of this 2009 Act; and

19 (b) Transfer to the Office of Rural Health those employees engaged primarily in the ex-
20 ercise of the duties, functions and powers transferred by section 1 of this 2009 Act.

21 (2) The Office of Rural Health shall take possession of the records and property, and shall
22 take charge of the employees and employ them in the exercise of the duties, functions and
23 powers transferred by section 1 of this 2009 Act, without reduction of compensation but
24 subject to change or termination of employment or compensation as provided by law.

25 (3) The Governor shall resolve any dispute between the Oregon Student Assistance
26 Commission and the Office of Rural Health relating to transfers of records, property and
27 employees under this section, and the Governor's decision is final.

UNEXPENDED REVENUES

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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 context of the duties, functions and powers transferred by section 1 of this 2009 Act,
 2 reference is made to the Oregon Student Assistance Commission, or an officer or employee
 3 of the Oregon Student Assistance Commission, whose duties, functions or powers are
 4 transferred by section 1 of this 2009 Act, the reference is considered to be a reference to the
 5 Office of Rural Health or an officer or employee of the Office of Rural Health who by this
 6 2009 Act is charged with carrying out such duties, functions and powers.

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 8 **RURAL HEALTH SERVICES PROGRAM**

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

11 442.550. As used in ORS 442.550 to 442.570:

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

13 [(2)] (1) "Dentist" means any person licensed to practice dentistry under ORS chapter 679.

14 [(3)] (2) "Nurse practitioner" means any person licensed under ORS 678.375.

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

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

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

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

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

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

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

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

27 (8) "Qualifying practice site" means:

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

29 (b) A rural health clinic as defined in the federal Rural Health Clinics Act of 1977 (P.L.
 30 95-210);

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

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

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

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

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

1 (3) Subject to available resources, the [commission] **office** may enter into agreements with not
2 to exceed 10 prospective physicians, 10 prospective physician assistants, 10 prospective dentists, 10
3 prospective pharmacists and 10 prospective nurse practitioners each year. The [commission] **office**
4 may give preference to prospective physicians, physician assistants, dentists, pharmacists and nurse
5 practitioners who agree to practice in a community that has contributed funds to the Rural Health
6 Services Fund.

7 (4) The office [of Rural Health] shall adopt criteria to be applied to determine medically under-
8 served communities and qualifying practice sites for purposes of ORS 442.550 to 442.570 and for the
9 purposes of compliance with [federal Public Law 95-210] **the federal Rural Health Clinics Act of**
10 **1977 (P.L. 95-210)**, establishing rural health clinics.

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

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

15 442.560. (1) Prospective physicians, physician assistants, dentists, pharmacists and nurse practi-
16 tioners who wish to participate in the Rural Health Services Program shall agree that:

17 (a) For each year of medical, physician assistant, dental, pharmacy or graduate school, the ap-
18 plicant designates an agreed amount, not to exceed \$25,000, as a qualifying loan subject to ORS
19 442.550 to 442.570.

20 (b) In the time period immediately following the completion of all residency requirements or the
21 time period immediately following the execution of a Rural Health Services agreement with the
22 [Oregon Student Assistance Commission] **Office of Rural Health**, whichever comes later, a physician
23 or dentist agrees to practice for at least three full years in a rural hospital as defined in ORS
24 442.470, in a rural health clinic or in a medically underserved rural community in Oregon.

25 (c) For not less than three nor more than five years that a physician or dentist serves in a rural
26 hospital as defined in ORS 442.470, in a rural health clinic or in a medically underserved rural
27 community, the [commission] **office** shall annually pay an amount that is a percentage of the total
28 of all qualifying loans made to the physician or dentist through the programs described in ORS
29 442.550.

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

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

40 (f) In the time period immediately following the completion of all pharmacy residency require-
41 ments or the time period immediately following the execution of a Rural Health Services agreement
42 with the [commission] **office**, whichever comes later, a pharmacist agrees to practice for at least
43 three full years in a rural hospital as defined in ORS 442.470, in a rural health clinic, in a medically
44 underserved rural community in Oregon or in a pharmacy that is located in a medically underserved
45 rural community in Oregon or a federally designated health professional shortage area and that is

1 not part of a group of six or more pharmacies under common ownership.

2 (g) For not less than three nor more than five years that a pharmacist serves in a rural hospital
 3 as defined in ORS 442.470, in a rural health clinic, in a medically underserved rural community or
 4 in a pharmacy that is located in a medically underserved rural community or a federally designated
 5 health professional shortage area and that is not part of a group of six or more pharmacies under
 6 common ownership, the [commission] **office** shall annually pay an amount that is a percentage of the
 7 total of all qualifying loans made to the pharmacist through the programs described in ORS 442.550.

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

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

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

19 442.570. (1) There is established in the State Treasury a fund, separate and distinct from the
 20 General Fund, to be known as the Rural Health Services Fund[.]. **Moneys in the Rural Health**
 21 **Services Fund are continuously appropriated to the Office of Rural Health** for investments as
 22 provided by ORS 293.701 to 293.820[,] **and** for the payment of expenses of the [*Oregon Student As-*
 23 *sistance Commission*] **office** in carrying out the purposes of ORS 315.613, 315.616, 315.619, 353.450,
 24 442.470, 442.503 and 442.550 to 442.570. Interest earned by the [account] **Rural Health Services**
 25 **Fund** shall be credited to the [account] **fund**.

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

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 32 **UNIT CAPTIONS**

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

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