

House Bill 2373

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Committee on Health Care)

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**.

Establishes Pharmacy and Therapeutics Committee to perform functions of Drug Use Review Board, which is abolished. Establishes Health Evidence Review Commission to perform functions of Health Resources Commission and Health Services Commission, which are abolished. Clarifies role of Oregon Health Authority as single state Medicaid agency. Permits sharing of information between authority and Department of Human Services for specified reasons. Extends end date for authority and department to cross-delegate. Corrects references, updates terminology, makes other technical corrections and creates enabling acts for authority.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to functions of the Oregon Health Authority; creating new provisions; amending ORS 3.408,
3 30.262, 87.533, 93.268, 106.045, 106.330, 113.085, 113.145, 114.305, 115.125, 115.195, 116.093, 130.370,
4 130.425, 179.505, 179.560, 179.570, 181.735, 238.082, 243.061, 243.145, 243.862, 243.878, 292.051,
5 343.243, 343.507, 343.961, 408.370, 409.010, 409.161, 409.162, 410.040, 410.075, 410.080, 410.720,
6 411.010, 411.060, 411.070, 411.083, 411.300, 411.320, 411.400, 411.402, 411.404, 411.408, 411.431,
7 411.432, 411.435, 411.439, 411.443, 411.459, 411.463, 411.593, 411.610, 411.620, 411.630, 411.632,
8 411.635, 411.640, 411.670, 411.675, 411.690, 411.694, 411.703, 413.011, 413.032, 413.064, 414.025,
9 414.033, 414.041, 414.065, 414.211, 414.221, 414.227, 414.231, 414.312, 414.325, 414.334, 414.337,
10 414.538, 414.705, 414.708, 414.710, 414.712, 414.725, 414.730, 414.735, 414.736, 416.340, 416.350,
11 416.610, 417.349, 418.517, 418.975, 418.985, 426.005, 426.129, 426.250, 426.275, 426.495, 427.005,
12 430.021, 430.205, 430.210, 430.397, 430.610, 430.630, 430.632, 430.640, 430.670, 430.672, 430.695,
13 431.195, 431.962, 431.964, 431.966, 431.970, 431.974, 431.976, 431.978, 432.500, 433.055, 433.060,
14 433.095, 433.407, 441.096, 442.011, 442.700, 443.450, 443.465, 443.860, 443.861, 443.864, 443.869,
15 448.465, 480.225, 497.162, 616.555, 616.560, 616.570, 616.575, 616.580, 676.150, 676.306, 676.350,
16 682.218, 708A.430, 743.730, 743.736, 743A.010 and 743A.062 and section 1, chapter 426, Oregon
17 Laws 2009, section 20, chapter 595, Oregon Laws 2009, and section 29, chapter 856, Oregon Laws
18 2009; repealing ORS 409.310, 409.330, 410.110, 414.332, 414.338, 414.350, 414.355, 414.360, 414.365,
19 414.370, 414.375, 414.380, 414.385, 414.390, 414.395, 414.400, 414.410, 414.415, 414.715, 414.720,
20 414.741, 430.170, 442.575, 442.580, 442.581, 442.583, 442.584, 442.588, 442.589 and 735.711 and sec-
21 tion 13, chapter 827, Oregon Laws 2009; appropriating money; and declaring an emergency.

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

PHARMACY AND THERAPEUTICS COMMITTEE

SECTION 1. As used in sections 1 to 12 of this 2011 Act:

27 (1) **“Compendia” means those resources widely accepted by the medical profession in the**

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 **efficacious use of drugs, including the following sources:**

2 (a) **The American Hospital Formulary Service drug information.**

3 (b) **The United States Pharmacopeia drug information.**

4 (c) **The American Medical Association drug evaluations.**

5 (d) **Peer-reviewed medical literature.**

6 (e) **Drug therapy information provided by manufacturers of drug products consistent**
 7 **with the federal Food and Drug Administration requirements.**

8 (2) **“Criteria” means the predetermined and explicitly accepted elements based on**
 9 **compendia that are used to measure drug use on an ongoing basis to determine if the use**
 10 **is appropriate, medically necessary and not likely to result in adverse medical outcomes.**

11 (3) **“Drug-disease contraindication” means the potential for, or the occurrence of, an**
 12 **undesirable alteration of the therapeutic effect of a given prescription because of the pres-**
 13 **ence, in the patient for whom it is prescribed, of a disease condition or the potential for, or**
 14 **the occurrence of, a clinically significant adverse effect of the drug on the patient’s disease**
 15 **condition.**

16 (4) **“Drug-drug interaction” means the pharmacological or clinical response to the ad-**
 17 **ministration of at least two drugs different from that response anticipated from the known**
 18 **effects of the two drugs when given alone, which may manifest clinically as antagonism,**
 19 **synergism or idiosyncrasy. Such interactions have the potential to have an adverse effect**
 20 **on the individual or lead to a clinically significant adverse reaction, or both, that:**

21 (a) **Is characteristic of one or any of the drugs present; or**

22 (b) **Leads to interference with the absorption, distribution, metabolism, excretion or**
 23 **therapeutic efficacy of one or any of the drugs.**

24 (5) **“Drug use review” means the programs designed to measure and assess on a retro-**
 25 **spective and a prospective basis, through an evaluation of claims data, the proper utilization,**
 26 **quantity, appropriateness as therapy and medical necessity of prescribed medication in the**
 27 **medical assistance program.**

28 (6) **“Intervention” means an action taken by the Oregon Health Authority with a**
 29 **prescriber or pharmacist to inform about or to influence prescribing or dispensing practices**
 30 **or utilization of drugs.**

31 (7) **“Overutilization” means the use of a drug in quantities or for durations that put the**
 32 **recipient at risk of an adverse medical result.**

33 (8) **“Pharmacist” means an individual who is licensed as a pharmacist under ORS chapter**
 34 **689.**

35 (9) **“Prescriber” means any person authorized by law to prescribe drugs.**

36 (10) **“Prospective program” means the prospective drug use review program described in**
 37 **section 7 of this 2011 Act.**

38 (11) **“Retrospective program” means the retrospective drug use review program described**
 39 **in section 8 of this 2011 Act.**

40 (12) **“Standards” means the acceptable prescribing and dispensing methods determined**
 41 **by compendia, in accordance with local standards of medical practice for health care pro-**
 42 **viders.**

43 (13) **“Therapeutic appropriateness” means drug prescribing based on scientifically based**
 44 **and clinically relevant drug therapy that is consistent with the criteria and standards de-**
 45 **veloped under sections 1 to 12 of this 2011 Act.**

1 (14) “Therapeutic duplication” means the prescribing and dispensing of two or more
 2 drugs from the same therapeutic class such that the combined daily dose puts the recipient
 3 at risk of an adverse medical result or incurs additional program costs without additional
 4 therapeutic benefits.

5 (15) “Underutilization” means that a drug is used by a recipient in insufficient quantity
 6 to achieve a desired therapeutic goal.

7 **SECTION 2.** (1) There is created a nine-member Pharmacy and Therapeutics Committee
 8 responsible for advising the Oregon Health Authority on the implementation of the retro-
 9 spective and prospective programs and on the Practitioner-Managed Prescription Drug Plan.

10 (2) The Director of the Oregon Health Authority shall appoint the members of the com-
 11 mittee, who shall serve at the pleasure of the director for a term of three years. An indi-
 12 vidual appointed to the committee may be reappointed upon completion of the individual’s
 13 term. The membership of the committee shall be composed of the following:

14 (a) Four persons licensed as physicians and actively engaged in the practice of medicine
 15 or osteopathic medicine in Oregon, who may be from among persons recommended by or-
 16 ganizations representing physicians;

17 (b) Three persons licensed in and actively practicing pharmacy in Oregon who may be
 18 from among persons recommended by organizations representing pharmacists whether affil-
 19 iated or unaffiliated with any association; and

20 (c) Two persons who are not physicians or pharmacists.

21 (3) The director may appoint one or more technical experts with full voting rights to
 22 participate in the committee proceedings when reviewing a specific category of drugs if the
 23 technical expertise of the individuals would assist the committee in its review of the specific
 24 category of drugs. The appointment of technical experts is temporary and expires upon
 25 completion of the review of the specific category of drugs.

26 (4) The director shall fill a vacancy on the committee by appointing a new member to
 27 serve the remainder of the unexpired term.

28 **SECTION 3.** Notwithstanding the term of office specified by section 2 of this 2011 Act,
 29 of the members first appointed to the Pharmacy and Therapeutics Committee:

30 (1) Three shall serve for a term ending December 31, 2012.

31 (2) Three shall serve for a term ending December 31, 2013.

32 (3) Three shall serve for a term ending December 31, 2014.

33 **SECTION 4.** (1) The Pharmacy and Therapeutics Committee shall advise the Oregon
 34 Health Authority on:

35 (a) Adoption of rules to implement sections 1 to 12 of this 2011 Act in accordance with
 36 ORS chapter 183.

37 (b) Implementation of the medical assistance program retrospective and prospective
 38 programs as described in sections 1 to 12 of this 2011 Act, including the type of software
 39 programs to be used by the pharmacist for prospective drug use review and the provisions
 40 of the contractual agreement between the state and any entity involved in the retrospective
 41 program.

42 (c) Development of and application of the criteria and standards to be used in retro-
 43 spective and prospective drug use review in a manner that ensures that such criteria and
 44 standards are based on compendia, relevant guidelines obtained from professional groups
 45 through consensus-driven processes, the experience of practitioners with expertise in drug

1 therapy, data and experience obtained from drug utilization review program operations. The
 2 committee shall have an open professional consensus process for establishing and revising
 3 criteria and standards. Criteria and standards shall be available to the public. In developing
 4 recommendations for criteria and standards, the committee shall establish an explicit ongo-
 5 ing process for soliciting and considering input from interested parties. The committee shall
 6 make timely revisions to the criteria and standards based upon this input in addition to re-
 7 visions based upon scheduled review of the criteria and standards. Further, the drug utili-
 8 zation review standards shall reflect the local practices of prescribers in order to monitor:

- 9 (A) Therapeutic appropriateness.
- 10 (B) Overutilization or underutilization.
- 11 (C) Therapeutic duplication.
- 12 (D) Drug-disease contraindications.
- 13 (E) Drug-drug interactions.
- 14 (F) Incorrect drug dosage or drug treatment duration.
- 15 (G) Clinical abuse or misuse.
- 16 (H) Drug allergies.

17 (d) Development, selection and application of and assessment for interventions that are
 18 educational and not punitive in nature for medical assistance program prescribers,
 19 dispensers and patients.

20 (2) In reviewing retrospective and prospective drug use, the committee may consider only
 21 drugs that have received final approval from the federal Food and Drug Administration.

22 (3) The committee shall make recommendations to the authority, subject to approval by
 23 the Director of the Oregon Health Authority or the director's designee, for drugs to be in-
 24 cluded on any preferred drug list adopted by the authority and on the Practitioner-Managed
 25 Prescription Drug Plan. The committee shall also recommend all utilization controls, prior
 26 authorization requirements or other conditions for the inclusion of a drug on a preferred
 27 drug list.

28 (4) In making recommendations under subsection (3) of this section, the committee may
 29 use any information the committee deems appropriate including, but not limited to, infor-
 30 mation provided by the Health Evidence Review Commission and information resulting from
 31 any other evidence review process. The recommendations must be based upon the following
 32 factors in order of priority:

- 33 (a) Safety and efficacy of the drug.
- 34 (b) The ability of Oregonians to access effective prescription drugs that are appropriate
 35 for their clinical conditions.
- 36 (c) Cost of the drug.

37 **SECTION 5.** In addition to the duties described in section 4 of this 2011 Act, the Phar-
 38 macy and Therapeutics Committee shall do the following subject to the approval of the Di-
 39 rector of the Oregon Health Authority:

- 40 (1) Publish an annual report, as described in section 12 of this 2011 Act.
- 41 (2) Publish and disseminate educational information to prescribers and pharmacists re-
 42 garding the committee and the drug use review programs, including information on the fol-
 43 lowing:
 - 44 (a) Identifying and reducing the frequency of patterns of fraud, abuse or inappropriate
 45 or medically unnecessary care among prescribers, pharmacists and recipients.

1 (b) Potential or actual severe or adverse reactions to drugs.

2 (c) Therapeutic appropriateness.

3 (d) Overutilization or underutilization.

4 (e) Appropriate use of generic products.

5 (f) Therapeutic duplication.

6 (g) Drug-disease contraindications.

7 (h) Drug-drug interactions.

8 (i) Drug allergy interactions.

9 (j) Clinical abuse and misuse.

10 (3) Adopt and implement procedures designed to ensure the confidentiality of any infor-
11 mation that identifies individual prescribers, pharmacists or recipients and that is collected,
12 stored, retrieved, assessed or analyzed by the committee, staff of the committee, the Oregon
13 Health Authority or contractors to the committee or the authority.

14 **SECTION 6.** In appropriate instances, interventions developed under section 4 (1)(d) of
15 this 2011 Act may include the following:

16 (1) Information disseminated to prescribers and pharmacists to ensure that they are
17 aware of the duties and powers of the Pharmacy and Therapeutics Committee.

18 (2) Written, oral or electronic reminders of recipient-specific or drug-specific information
19 that are designed to ensure recipient, prescriber and pharmacist confidentiality, and sug-
20 gested changes in the prescribing or dispensing practices designed to improve the quality of
21 care.

22 (3) Face-to-face discussions between experts in drug therapy and the prescriber or
23 pharmacist who has been targeted for educational intervention.

24 (4) Intensified reviews or monitoring of selected prescribers or pharmacists.

25 (5) Educational outreach through the retrospective program focusing on improvement
26 of prescribing and dispensing practices.

27 (6) The timely evaluation of interventions to determine if the interventions have im-
28 proved the quality of care.

29 (7) The review of case profiles before the conducting of an intervention.

30 **SECTION 7.** The prospective drug use review program must use guidelines established
31 by the Oregon Health Authority that are based on the recommendations of the Pharmacy
32 and Therapeutics Committee. The program must ensure that prior to the prescription being
33 filled or delivered a review will be conducted by the pharmacist at the point of sale to screen
34 for potential drug therapy problems resulting from the following:

35 (1) Therapeutic duplication.

36 (2) Drug-drug interactions, including serious interactions with nonprescription or over-
37 the-counter drugs.

38 (3) Incorrect dosage and duration of treatment.

39 (4) Drug-allergy interactions.

40 (5) Clinical abuse and misuse.

41 (6) Drug-disease contraindications.

42 **SECTION 8.** The retrospective drug use review program must use:

43 (1) Guidelines established by the Oregon Health Authority that are based on the recom-
44 mendations of the Pharmacy and Therapeutics Committee; and

45 (2) The mechanized drug claims processing and information retrieval system to analyze

1 claims data on drug use against explicit predetermined standards that are based on
 2 compendia and other sources to monitor the following:

- 3 (a) Therapeutic appropriateness.
- 4 (b) Overutilization or underutilization.
- 5 (c) Fraud and abuse.
- 6 (d) Therapeutic duplication.
- 7 (e) Drug-disease contraindications.
- 8 (f) Drug-drug interactions.
- 9 (g) Incorrect drug dosage or duration of drug treatment.
- 10 (h) Clinical abuse and misuse.

11 **SECTION 9.** (1) Information collected under sections 1 to 12 of this 2011 Act that identi-
 12 fies an individual is confidential and may not be disclosed by the Pharmacy and Therapeutics
 13 Committee, the retrospective program or the Oregon Health Authority to any person other
 14 than a health care provider appearing on a recipient's medication profile.

15 (2) The staff of the committee may have access to identifying information for purposes
 16 of carrying out intervention activities. The identifying information may not be released to
 17 anyone other than a staff member of the committee, the retrospective program, the au-
 18 thority or a health care provider appearing on a recipient's medication profile or, for pur-
 19 poses of investigating potential fraud in programs administered by the authority, the
 20 Department of Justice.

21 (3) The committee may release cumulative, nonidentifying information for the purposes
 22 of legitimate research and for educational purposes.

23 **SECTION 10.** (1) Notwithstanding ORS 192.610 to 192.690, the Pharmacy and Therapeutics
 24 Committee may meet in an executive session for purposes of:

- 25 (a) Reviewing the prescribing or dispensing practices of individual physicians or
 26 pharmacists;
- 27 (b) Discussing drug use review data pertaining to individual physicians or pharmacists;
- 28 (c) Reviewing profiles of individual patients; or
- 29 (d) Reviewing confidential drug pricing information as necessary for the committee to
 30 make final recommendations under section 4 of this 2011 Act or to comply with section 9 of
 31 this 2011 Act.

32 (2) A meeting held in executive session is subject to the requirements of ORS 192.650 (2).

33 (3) The committee shall provide appropriate opportunity for public testimony at the reg-
 34 ularly scheduled committee meetings.

35 **SECTION 11.** (1) Except as provided in section 10 of this 2011 Act, the Pharmacy and
 36 Therapeutics Committee shall operate in accordance with ORS chapter 192. The committee
 37 shall annually elect a chairperson from the members of the committee.

38 (2) A committee member is not entitled to compensation but is entitled to reimbursement
 39 for actual and necessary travel expenses incurred in connection with the member's duties,
 40 pursuant to ORS 292.495.

41 (3) A quorum consists of six members of the committee.

42 (4) The committee may establish advisory committees to assist in carrying out the
 43 committee's duties under sections 1 to 12 of this 2011 Act, with the approval of the Director
 44 of the Oregon Health Authority.

45 (5) The Oregon Health Authority shall provide staff and support services to the commit-

tee.

SECTION 12. (1) The annual report required under section 5 (1) of this 2011 Act is subject to public comment prior to its submission to the Director of the Oregon Health Authority and must include the following:

(a) An overview of the activities of the Pharmacy and Therapeutics Committee and the prospective and retrospective programs;

(b) A summary of interventions made, including the number of cases brought before the committee and the number of interventions made;

(c) An assessment of the impact of the interventions, criteria and standards used, including an overall assessment of the impact of the educational programs and interventions on prescribing and dispensing patterns;

(d) An assessment of the impact of the criteria, standards and educational interventions on quality of care; and

(e) An estimate of the cost savings generated as a result of the prospective and retrospective programs, including an overview of the fiscal impact of the programs to other areas of the medical assistance program such as hospitalization or long term care costs. This analysis should include a cost-benefit analysis of both the prospective and retrospective programs and should take into account the administrative costs of the drug utilization review program.

(2) Copies of the annual report shall be submitted to the President of the Senate, the Speaker of the House of Representatives and other persons who request copies of the report.

DRUG USE REVIEW BOARD ABOLISHED

SECTION 13. (1) The Drug Use Review Board is abolished. On the operative date of this section, the tenure of office of the members of the Drug Use Review Board ceases.

(2) All the duties, functions and powers of the Drug Use Review Board are imposed upon, transferred to and vested in the Pharmacy and Therapeutics Committee.

SECTION 14. (1) The Director of the Oregon Health Authority shall:

(a) Deliver to the Pharmacy and Therapeutics Committee all records and property within the jurisdiction of the Drug Use Review Board that relate to the duties, functions and powers transferred by section 13 of this 2011 Act; and

(b) Transfer to the committee those employees engaged primarily in the exercise of the duties, functions and powers transferred by section 13 of this 2011 Act.

(2) The committee shall take possession of the records and property and shall take charge of the employees and employ them, in the exercise of the duties, functions and powers transferred by section 13 of this 2011 Act, without reduction of compensation but subject to change or termination of employment or compensation as provided by law.

(3) The director shall resolve any dispute between the Drug Use Review Board and the Pharmacy and Therapeutics Committee relating to transfers of records, property and employees under this section, and the director's decision is final.

SECTION 15. (1) The unexpended balances of amounts authorized to be expended by the Drug Use Review Board for the biennium beginning July 1, 2011, from revenues dedicated, continuously appropriated, appropriated or otherwise made available for the purpose of administering and enforcing the duties, functions and powers transferred by section 13 of this

1 2011 Act are transferred to and are available for expenditure by the Pharmacy and
 2 Therapeutics Committee for the remainder of the biennium beginning July 1, 2011, for the
 3 purpose of administering and enforcing the duties, functions and powers transferred by sec-
 4 tion 13 of this 2011 Act.

5 (2) The expenditure classifications, if any, established by Acts authorizing or limiting
 6 expenditures by the board remain applicable to expenditures by the committee under this
 7 section.

8 **SECTION 16.** The transfer of duties, functions and powers to the Pharmacy and
 9 Therapeutics Committee by section 13 of this 2011 Act does not affect any action, proceeding
 10 or prosecution involving or with respect to such duties, functions and powers begun before
 11 and pending at the time of the transfer, except that the committee is substituted for the
 12 Drug Use Review Board in the action, proceeding or prosecution.

13 **SECTION 17.** (1) Nothing in sections 1 to 16 of this 2011 Act or the repeal of ORS 414.350,
 14 414.355, 414.360, 414.365, 414.370, 414.375, 414.380, 414.385, 414.390, 414.395, 414.400, 414.410 and
 15 414.415 by section 217 of this 2011 Act relieves a person of a liability, duty or obligation ac-
 16 cruing under or with respect to the duties, functions and powers transferred by section 13
 17 of this 2011 Act. The Pharmacy and Therapeutics Committee may undertake the collection
 18 or enforcement of any such liability, duty or obligation.

19 (2) The rights and obligations of the Drug Use Review Board legally incurred under con-
 20 tracts, leases and business transactions executed, entered into or begun before the operative
 21 date of section 13 of this 2011 Act are transferred to the Pharmacy and Therapeutics Com-
 22 mittee. For the purpose of succession to these rights and obligations, the Pharmacy and
 23 Therapeutics Committee is a continuation of the Drug Use Review Board and is not a new
 24 authority.

25 **SECTION 18.** Whenever, in any uncodified law or resolution of the Legislative Assembly
 26 or in any rule, document, record or proceeding authorized by the Legislative Assembly, ref-
 27 erence is made to the Drug Use Review Board or an officer or employee of the Drug Use
 28 Review Board, the reference is considered to be a reference to the Pharmacy and
 29 Therapeutics Committee or an officer or employee of the Pharmacy and Therapeutics Com-
 30 mittee.

31 **SECTION 19.** For the purpose of harmonizing and clarifying statutory law, the Legislative
 32 Counsel may substitute for words designating the “Drug Use Review Board” or its officers,
 33 wherever they occur in statutory law, words designating the “Pharmacy and Therapeutics
 34 Committee” or its officers.

35 **SECTION 20.** The Director of the Oregon Health Authority may take any action before
 36 the operative date specified in section 21 of this 2011 Act that is necessary to enable the
 37 Pharmacy and Therapeutics Committee to exercise, on and after the operative date of sec-
 38 tion 13 of this 2011 Act, the duties, functions and powers of the committee pursuant to sec-
 39 tion 13 of this 2011 Act.

40 **SECTION 21.** Except as otherwise specifically provided in section 20 of this 2011 Act,
 41 sections 1 to 16 of this 2011 Act become operative on January 1, 2012.

42
 43 **HEALTH EVIDENCE REVIEW COMMISSION**
 44

45 **SECTION 22.** (1) As used in this section:

1 (a) "Practice of pharmacy" has the meaning given that term in ORS 689.005.

2 (b) "Retail drug outlet" has the meaning given that term in ORS 689.005.

3 (2) The Health Evidence Review Commission is established in the Oregon Health Au-
4 thority, consisting of 13 members appointed by the Governor in consultation with profes-
5 sional and other interested organizations and confirmed by the Senate, as follows:

6 (a) Four members must be physicians licensed to practice medicine in this state who
7 have clinical expertise in the areas of family medicine, internal medicine, obstetrics,
8 perinatal health, pediatrics, disabilities, geriatrics or general surgery. One of the physicians
9 must be a doctor of osteopathy.

10 (b) One member must be a dentist licensed under ORS chapter 679 who has clinical ex-
11 pertise in general, pediatric or public health dentistry.

12 (c) One member must be a public health representative who may be a nurse, physician
13 or administrator.

14 (d) One member must be a behavioral health representative who may be a social services
15 worker, alcohol and drug treatment provider, psychologist or psychiatrist.

16 (e) Four members must be consumers of health care who are patient advocates or rep-
17 resent the areas of indigent services, complementary and alternative medicine, hospitals,
18 labor, business, education or corrections.

19 (f) One member must be an insurance industry representative who may be a medical di-
20 rector or other administrator.

21 (g) One member must be a pharmacy representative who engages in the practice of
22 pharmacy at a retail drug outlet.

23 (3) No more than six members of the commission may be physicians either in active
24 practice or retired from practice.

25 (4) Members of the commission serve for a term of four years at pleasure of the Gover-
26 nor. A member is eligible for reappointment.

27 (5) Members are not entitled to compensation, but may be reimbursed for actual and
28 necessary travel and other expenses incurred by them in the performance of their official
29 duties in the manner and amounts provided for in ORS 292.495. Claims for expenses shall be
30 paid out of funds available to the Oregon Department of Administrative Services for purposes
31 of the commission.

32 **SECTION 23.** (1) The Health Evidence Review Commission shall select one of its members
33 as chairperson and another as vice chairperson, for terms and with duties and powers the
34 commission determines necessary for the performance of the functions of the offices.

35 (2) A majority of the members of the commission constitutes a quorum for the trans-
36 action of business.

37 (3) The commission shall meet at least four times per year at a place, day and hour de-
38 termined by the chairperson. The commission also shall meet at other times and places
39 specified by the call of the chairperson or of a majority of the members of the commission.

40 (4) The commission may use advisory committees or subcommittees whose members are
41 appointed by the chairperson of the commission subject to approval by a majority of the
42 members of the commission. The advisory committees or subcommittees may contain ex-
43 perts appointed by the chairperson and a majority of the members of the commission. The
44 conditions of service of the experts will be determined by the chairperson and a majority of
45 the members of the commission.

1 (5) The Office for Oregon Health Policy and Research shall provide staff and support
 2 services to the commission.

3 **SECTION 24.** (1) The Health Evidence Review Commission shall solicit testimony and in-
 4 formation from advocates representing seniors, persons with disabilities, mental health ser-
 5 vices consumers and low-income Oregonians, representatives of commercial carriers,
 6 representatives of small and large Oregon employers and providers of health care, including
 7 but not limited to physicians licensed to practice medicine, dentists, oral surgeons,
 8 chiropractors, naturopaths, hospitals, clinics, pharmacists, nurses and allied health profes-
 9 sionals.

10 (2) The commission shall actively solicit public involvement in a community meeting
 11 process to build a consensus on the values to be used to guide health resource allocation
 12 decisions.

13 (3) The commission shall develop and maintain a list of health services ranked by prior-
 14 ity, from the most important to the least important, representing the comparative benefits
 15 of each service to the population to be served. The list must be submitted by the commission
 16 pursuant to subsection (5) of this section and is not subject to alteration by any other state
 17 agency.

18 (4) In order to encourage effective and efficient medical evaluation and treatment, the
 19 commission:

20 (a) May include clinical practice guidelines in its prioritized list of services. The com-
 21 mission shall actively solicit testimony and information from the medical community and the
 22 public to build a consensus on clinical practice guidelines developed by the commission.

23 (b) May include statements of intent in its prioritized list of services. Statements of in-
 24 tent should give direction on coverage decisions where medical codes and clinical practice
 25 guidelines cannot convey the intent of the commission.

26 (c) Shall consider both the clinical effectiveness and cost-effectiveness of health services
 27 in determining their relative importance using peer-reviewed medical literature as defined in
 28 ORS 743A.060.

29 (d) Shall develop and maintain a list of value-based services that represents services that
 30 are recommended for coverage without financial barriers that may be used by any publicly
 31 or privately offered health benefit plan.

32 (5) The commission shall report the prioritized list of services to the Oregon Health Au-
 33 thority for budget determinations by July 1 of each even-numbered year.

34 (6) The commission shall make its report during each regular session of the Legislative
 35 Assembly and shall submit a copy of its report to the Governor, the Speaker of the House
 36 of Representatives and the President of the Senate.

37 (7) The commission may alter the list during the interim only as follows:

38 (a) To make technical changes to correct errors and omissions;

39 (b) To accommodate changes due to advancements in medical technology or new data
 40 regarding health outcomes;

41 (c) To accommodate changes to clinical practice guidelines; and

42 (d) To add statements of intent that clarify the prioritized list.

43 (8) If a service is deleted or added during an interim and no new funding is required, the
 44 commission shall report to the Speaker of the House of Representatives and the President
 45 of the Senate. However, if a service to be added requires increased funding to avoid discon-

1 **tinuing another service, the commission shall report to the Emergency Board to request the**
 2 **funding.**

3 **(9) The prioritized list of services remains in effect from October 1 of the odd-numbered**
 4 **year through September 30 of the next odd-numbered year.**

5 **SECTION 25. (1) As used in this section and section 26 of this 2011 Act:**

6 **(a) “Medical technology” means drugs, medical equipment and devices, medical or surgi-**
 7 **cal procedures and techniques used by health care providers in delivering medical care to**
 8 **individuals, and the organizational or supportive systems within which medical care is de-**
 9 **livered.**

10 **(b) “Medical technology assessment” means evaluation of the use, clinical effectiveness**
 11 **and cost of a technology in comparison with its alternatives.**

12 **(2) The Health Evidence Review Commission shall develop a medical technology assess-**
 13 **ment process. The Oregon Health Authority shall direct the commission with regard to**
 14 **medical technologies to be assessed and the timing of the assessments.**

15 **(3) The commission shall appoint and work with an advisory committee whose members**
 16 **have the appropriate expertise to conduct a medical technology assessment.**

17 **(4) The commission shall present its preliminary findings at a public hearing and shall**
 18 **solicit testimony and information from health care consumers. The commission shall give**
 19 **strong consideration to the recommendations of the advisory committee and public testi-**
 20 **mony in developing its assessment.**

21 **(5) To ensure that confidentiality is maintained, identification of a patient or a person**
 22 **licensed to provide health services may not be included with the data submitted under this**
 23 **section, and the commission shall release such data only in aggregate statistical form. All**
 24 **findings and conclusions, interviews, reports, studies, communications and statements pro-**
 25 **duced by or furnished to the commission in connection with obtaining the data necessary to**
 26 **perform its functions is confidential pursuant to ORS 192.501 to 192.505.**

27 **SECTION 26. (1) The Health Evidence Review Commission shall conduct comparative ef-**
 28 **fectiveness research of medical technologies selected in accordance with section 25 of this**
 29 **2011 Act. The commission may conduct the research by comprehensive review of the com-**
 30 **parative effectiveness research undertaken by recognized state, national or international**
 31 **entities. The commission shall disseminate the research findings to health care consumers,**
 32 **providers and third-party payers and to other interested stakeholders.**

33 **(2) The commission shall develop or identify and shall disseminate evidence-based health**
 34 **care guidelines for use by providers, consumers and purchasers of health care in Oregon.**

35 **(3) The Oregon Health Authority shall vigorously pursue health care purchasing strate-**
 36 **gies that adopt the research findings described in subsection (1) of this section and the**
 37 **evidence-based health care guidelines described in subsection (2) of this section.**

38 **(4) Public bodies, as defined in ORS 174.109, that purchase health care or provide health**
 39 **services directly shall adopt the research findings described in subsection (1) of this section**
 40 **and the evidence-based health care guidelines described in subsection (2) of this section.**

41
 42 **HEALTH RESOURCES COMMISSION AND**
 43 **HEALTH SERVICES COMMISSION ABOLISHED**
 44

45 **SECTION 27. (1) The Health Resources Commission and the Health Services Commission**

1 are abolished. On the operative date of this section, the tenure of office of the members of
 2 the Health Resources Commission and the Health Services Commission ceases.

3 (2) All the duties, functions and powers of the Health Resources Commission and the
 4 Health Services Commission are imposed upon, transferred to and vested in the Health Evi-
 5 dence Review Commission.

6 **SECTION 28.** (1) The Director of the Oregon Health Authority shall:

7 (a) Deliver to the Health Evidence Review Commission all records and property within
 8 the jurisdiction of the director that relate to the duties, functions and powers transferred
 9 by section 27 of this 2011 Act; and

10 (b) Transfer to the commission those employees engaged primarily in the exercise of the
 11 duties, functions and powers transferred by section 27 of this 2011 Act.

12 (2) The commission shall take possession of the records and property and shall take
 13 charge of the employees and employ them, in the exercise of the duties, functions and powers
 14 transferred by section 27 of this 2011 Act, without reduction of compensation but subject to
 15 change or termination of employment or compensation as provided by law.

16 (3) The director shall resolve any dispute between the Health Resources Commission and
 17 the Health Services Commission and the Health Evidence Review Commission relating to
 18 transfers of records, property and employees under this section, and the director's decision
 19 is final.

20 **SECTION 29.** (1) The unexpended balances of amounts authorized to be expended by the
 21 Health Resources Commission and the Health Services Commission for the biennium begin-
 22 ning July 1, 2011, from revenues dedicated, continuously appropriated, appropriated or oth-
 23 erwise made available for the purpose of administering and enforcing the duties, functions
 24 and powers transferred by section 27 of this 2011 Act are transferred to and are available for
 25 expenditure by the Health Evidence Review Commission for the remainder of the biennium
 26 beginning July 1, 2011, for the purpose of administering and enforcing the duties, functions
 27 and powers transferred by section 27 of this 2011 Act.

28 (2) The expenditure classifications, if any, established by Acts authorizing or limiting
 29 expenditures by the Health Resources Commission and the Health Services Commission re-
 30 main applicable to expenditures by the Health Evidence Review Commission under this sec-
 31 tion.

32 **SECTION 30.** The transfer of duties, functions and powers to the Health Evidence Review
 33 Commission by section 27 of this 2011 Act does not affect any action, proceeding or prose-
 34 cution involving or with respect to such duties, functions and powers begun before and
 35 pending at the time of the transfer, except that the Health Evidence Review Commission is
 36 substituted for the Health Resources Commission or the Health Services Commission in the
 37 action, proceeding or prosecution.

38 **SECTION 31.** (1) Nothing in sections 22 to 30 of this 2011 Act or the repeal of ORS 414.715,
 39 414.720, 414.741, 442.575, 442.580, 442.581, 442.583, 442.584, 442.588 and 442.589 by section 217 of
 40 this 2011 Act relieves a person of a liability, duty or obligation accruing under or with respect
 41 to the duties, functions and powers transferred by section 27 of this 2011 Act. The Health
 42 Evidence Review Commission may undertake the collection or enforcement of any such li-
 43 ability, duty or obligation.

44 (2) The rights and obligations of the Health Resources Commission and the Health Ser-
 45 vices Commission legally incurred under contracts, leases and business transactions exe-

1 cuted, entered into or begun before the operative date of section 27 of this 2011 Act are
 2 transferred to the Health Evidence Review Commission. For the purpose of succession to
 3 these rights and obligations, the Health Evidence Review Commission is a continuation of the
 4 Health Resources Commission and the Health Services Commission and is not a new au-
 5 thority.

6 **SECTION 32.** The Director of the Oregon Health Authority may take any action before
 7 the operative date of section 27 of this 2011 Act that is necessary to enable the Health Evi-
 8 dence Review Commission to exercise, on and after the operative date of section 27 of this
 9 2011 Act, the duties, functions and powers of the commission pursuant to section 27 of this
 10 2011 Act.

11 **SECTION 33.** Whenever, in any uncodified law or resolution of the Legislative Assembly
 12 or in any rule, document, record or proceeding authorized by the Legislative Assembly, ref-
 13 erence is made to the Health Resources Commission or the Health Services Commission or
 14 an officer or employee of the Health Resources Commission or the Health Services Com-
 15 mission, the reference is considered to be a reference to the Health Evidence Review Com-
 16 mission or an officer or employee of the Health Evidence Review Commission.

17 **SECTION 34.** For the purpose of harmonizing and clarifying statutory law, the Legislative
 18 Counsel may substitute for words designating the “Health Resources Commission” or the
 19 “Health Services Commission” or the officers of the Health Resources Commission or the
 20 Health Services Commission, wherever they occur in statutory law, words designating the
 21 “Health Evidence Review Commission” or its officers.

22 **SECTION 35.** Except as otherwise specifically provided in section 32 of this 2011 Act,
 23 sections 22 to 30 of this 2011 Act become operative on January 1, 2012.

24
 25 **OREGON HEALTH AUTHORITY FINANCIAL ADMINISTRATION**

26
 27 **SECTION 36.** Notwithstanding any other provision of law, federal laws shall govern the
 28 administration of federally granted funds. The Director of the Oregon Health Authority may
 29 request a waiver of any federal law in order to fully implement provisions of state law using
 30 federally granted funds.

31 **SECTION 37.** (1) There is established an Oregon Health Authority Special Checking Ac-
 32 count in the State Treasury. Upon the written request of the Director of the Oregon Health
 33 Authority, the Oregon Department of Administrative Services shall draw payments in favor
 34 of the authority to be charged against appropriations and other moneys available to the au-
 35 thority in the same manner as other claims against the state, as provided in ORS chapter
 36 293. All such payments shall be deposited in the special checking account and may be dis-
 37 bursed by check or other means acceptable to the State Treasurer.

38 (2) The special checking account may be used for the purpose of paying the administra-
 39 tive expenses of programs and services as assigned to the authority by law, including the
 40 payment of expenses to be reimbursed by the federal government.

41 (3) In addition to funds authorized under ORS 293.180, the authority may establish petty
 42 cash funds out of the special checking account or any account established in the State
 43 Treasury for the authority. The authority may pay expenses using small cash disbursements
 44 from a petty cash fund. Periodically, the authority shall request reimbursement for dis-
 45 bursements made from a petty cash fund. Upon receipt of a reimbursement payment from

1 an appropriate account, the authority shall use the payment to reimburse the petty cash
2 fund.

3 **SECTION 38.** Notwithstanding any other law, the Oregon Health Authority may, with the
4 approval of the Oregon Department of Administrative Services and the State Treasurer,
5 combine or eliminate any accounts that are established in statute and appropriated to the
6 authority if economy and efficiency in operations can be obtained and the combination or
7 elimination of accounts does not substantially alter the intent of the authorizing statutes.
8 When accounts are combined, the Oregon Health Authority retains the authority granted
9 by the statutes establishing the accounts.

10 **SECTION 39.** The Oregon Department of Administrative Services shall draw warrants in
11 favor of the Oregon Health Authority for the aggregate amounts of the authority's expenses.
12 The authority shall deposit the warrants in the State Treasury in a checking account in re-
13 imbursement of those expenses. The authority may draw its checks on the State Treasury
14 in favor of the persons, firms, corporations, associations or counties entitled to payment
15 under rules of the authority so as to include in single combined payments for specified peri-
16 ods all moneys allotted to particular payees from various sources for the period.

17 **SECTION 40.** (1) On written request of the Oregon Health Authority, the Oregon De-
18 partment of Administrative Services shall draw warrants on amounts appropriated to the
19 authority for operating expenses for use by the authority as a revolving fund. The revolving
20 fund may not exceed the aggregate sum of \$100,000 including unreimbursed advances. The
21 revolving fund shall be deposited with the State Treasurer to be held in a special account
22 against which the authority may draw checks.

23 (2) The revolving fund may be used by the authority:

24 (a) To pay for or advance travel expenses for employees of the authority and for any
25 consultants or advisers for whom payment of travel expenses is authorized by law;

26 (b) For purchases required from time to time; or

27 (c) For receipt or disbursement of federal funds available under federal law.

28 (3) All claims for reimbursement of amounts paid from the revolving fund must be ap-
29 proved by the authority and by the department. When such claims are approved, the de-
30 partment shall draw a warrant covering them against the appropriate fund or account in
31 favor of the authority. The authority shall use the moneys to reimburse the revolving fund.

32
33 **ADMINISTRATION OF HUMAN SERVICES**

34
35 **SECTION 41.** (1) As used in this section:

36 (a) "Adult foster home" has the meaning given that term in ORS 443.705.

37 (b) "Health care facility" has the meaning given that term in ORS 442.015.

38 (c) "Residential facility" has the meaning given that term in ORS 443.400.

39 (2) Every adult foster home, health care facility and residential facility licensed or reg-
40 istered by the Oregon Health Authority shall:

41 (a) Adopt a plan to provide for the safety of persons who are receiving care at or are
42 residents of the home or facility in the event of an emergency that requires immediate action
43 by the staff of the home or facility due to conditions of imminent danger that pose a threat
44 to the life, health or safety of persons who are receiving care at or are residents of the home
45 or facility; and

1 (b) Provide training to all employees of the home or facility about the responsibilities of
 2 the employees to implement the plan required by this section.

3 (3) The authority shall adopt by rule the requirements for the plan and training required
 4 by this section. The rules adopted shall include, but are not limited to, procedures for the
 5 evacuation of the persons who are receiving care at or are residents of the adult foster
 6 home, health care facility or residential facility to a place of safety when the conditions of
 7 imminent danger require relocation of those persons.

8 **SECTION 42.** (1) As used in this section, “family member” means any individual related
 9 by blood, marriage or adoption to a person whose cremated remains are in the possession
 10 of the Oregon Health Authority.

11 (2) Notwithstanding any other provision of law, the authority shall disclose to the general
 12 public the name and the dates of birth and death of a person whose cremated remains are
 13 in the possession of the authority for the purpose of:

14 (a) Giving a family member of the person an opportunity to claim the cremated remains;
 15 or

16 (b) Creating a memorial for those persons whose cremated remains are not claimed.

17 (3) If an individual contacts the authority to determine whether the authority is in pos-
 18 session of the cremated remains of a family member of the individual and the authority de-
 19 termines that the authority is in possession of the cremated remains, the authority shall
 20 disclose to the individual that the authority is in possession of the cremated remains and
 21 offer the individual the opportunity to claim the remains.

22 **SECTION 43.** Liquidated and delinquent debts owed to the Oregon Health Authority may
 23 be set off against amounts owed by the authority to the debtors.

24 **SECTION 44.** (1) Notwithstanding ORS 8.690, 9.160, 9.320 or 203.145 or ORS chapter 180
 25 or other law, in any contested case proceeding before the Oregon Health Authority, a cor-
 26 poration may be represented by an attorney or by any officer or authorized agent or em-
 27 ployee of the corporation.

28 (2) As used in this section, “corporation” includes a public or private corporation,
 29 whether or not organized for profit.

30 **SECTION 45.** (1) The Oregon Health Authority may accept funds, money or other valu-
 31 able things from relatives, corporations or interested persons or organizations for the care
 32 and support of needy persons and may expend the same for the care and support of the in-
 33 dividual or individuals for whom the moneys were paid.

34 (2) The authority may accept from individuals, corporations and organizations contribu-
 35 tions or gifts in cash or otherwise that shall be disbursed in the same manner as moneys
 36 appropriated for public assistance purposes, unless the donor of a gift stipulates a different
 37 manner in which a gift must be expended. Moneys received under this section shall be de-
 38 posited with the State Treasurer in an account separate and distinct from the General Fund.
 39 Interest earned by the account shall be credited to the account. Moneys in the account are
 40 continuously appropriated to the department for the purposes specified in this section.

41 **SECTION 46.** All sums of money recovered by or paid to the Oregon Health Authority
 42 as reimbursement for funds expended for medical assistance shall be paid into the Oregon
 43 Health Authority Fund established by ORS 413.031 and may be used for the provision and
 44 administration of medical assistance. However, the United States Government is entitled to
 45 a share of any amount received as its interest may appear, which shall be promptly paid to

1 the United States Government.

2 **SECTION 47.** In addition to its other powers, the Oregon Health Authority may:

3 (1) Enter into agreements with, join with or accept grants from the federal government
4 for cooperative research and demonstration projects for health and health care purposes,
5 including, but not limited to, any project that:

6 (a) Improves the lifelong health of Oregonians.

7 (b) Aids in effecting coordination of planning between private and public health and
8 health care agencies of the state.

9 (c) Improves the administration and effectiveness of programs carried on or assisted by
10 the authority.

11 (2) With the cooperation and the financial assistance of the federal government, train
12 personnel employed or preparing for employment by the authority. The training may be
13 carried out in any manner, including but not limited to:

14 (a) Directly by the authority.

15 (b) Indirectly through grants to public or other nonprofit institutions of learning or
16 through grants of fellowships.

17 (c) Any other manner for which federal aid in support of the training is available.

18 (3) Subject to the allotment system provided for in ORS 291.234 to 291.260, expend the
19 sums required to be expended for the programs and projects described in subsections (1) and
20 (2) of this section.

21 **SECTION 48.** (1) The Oregon Health Authority shall adopt and enforce rules governing
22 the custody, use and preservation of the records, papers, files and communications of the
23 authority in accordance with applicable privacy laws. The use of the records, papers, files
24 and communications is limited to the purposes for which they are furnished and by the pro-
25 visions of law under which they may be furnished.

26 (2) The records, papers, files and communications of the authority may be maintained in
27 a single or combined data system accessible to the authority and to the Department of Hu-
28 man Services for the administration of public assistance programs and for the coordination
29 of functions shared by the authority and the department.

30 **SECTION 49.** (1) For the protection of applicants for and recipients of public assistance,
31 except as otherwise provided in this section, the Oregon Health Authority may not disclose
32 or use the contents of any public assistance records, files, papers or communications for
33 purposes other than those directly connected with the administration of the public assistance
34 programs or necessary to assist public assistance applicants and recipients in accessing and
35 receiving other governmental or private nonprofit services, and these records, files, papers
36 and communications are considered confidential subject to the rules of the authority. In any
37 judicial or administrative proceeding, except proceedings directly connected with the admin-
38 istration of public assistance, their contents are considered privileged communications.

39 (2) Nothing in this section prohibits the disclosure of the address, Social Security number
40 and photograph of any applicant or recipient to a law enforcement officer at the request of
41 the officer. To receive information pursuant to this section, the officer must furnish the
42 agency the name of the applicant or recipient and advise that the applicant or recipient:

43 (a) Is fleeing to avoid prosecution, custody or confinement after conviction for a felony;

44 (b) Is violating a condition of probation or parole; or

45 (c) Has information that is necessary for the officer to conduct the official duties of the

1 **officer and the location or apprehension of the applicant or recipient is within such official**
 2 **duties.**

3 **(3) Nothing in this section prohibits disclosure of information between the authority and**
 4 **the Department of Human Services for the purpose of providing to recipients of public as-**
 5 **sistance services administered by the authority or the department.**

6
 7 **AMENDMENTS TO STATUTES**

8
 9 **SECTION 50.** ORS 3.408 is amended to read:

10 3.408. (1) The presiding judge of the judicial district may assign to a family court department
 11 established under ORS 3.405 all of the following matters:

- 12 (a) Proceedings under the provisions of ORS chapters 107, 108, 109 and 110;
- 13 (b) Proceedings under the provisions of ORS chapter 25;
- 14 (c) Guardianship proceedings for minors under the provisions of ORS chapter 125;
- 15 (d) Juvenile court proceedings under ORS chapters 419A, 419B and 419C;
- 16 (e) Proceedings to commit a person with a mental illness under the provisions of ORS chapter
 17 426 [and ORS 430.397 to 430.401];
- 18 (f) Probate proceedings under ORS chapters 111, 112, 113, 114, 115, 116 and 117; and
- 19 (g) Any other proceeding in which a family is involved.

20 (2) In addition to the matters specified in subsection (1) of this section, the presiding judge of
 21 the judicial district may assign to a family court department any criminal proceeding that involves
 22 domestic violence or other crime between family members.

23 **SECTION 51.** ORS 30.262 is amended to read:

24 30.262. (1) The following facilities and training homes are public bodies for the purposes of ORS
 25 30.260 to 30.300:

26 (a) A nonprofit residential training facility as defined in ORS 443.400, nonprofit residential
 27 training home as defined in ORS 443.400 or nonprofit facility as defined in ORS 427.005, organized
 28 and existing under ORS chapter 65, that receives more than 50 percent of its funding from the state
 29 or a political subdivision of the state for the purpose of providing residential or vocational services
 30 to individuals with [*mental retardation or*] developmental disabilities.

31 (b) A nonprofit residential training facility as defined in ORS 443.400, nonprofit residential
 32 training home as defined in ORS 443.400 or nonprofit facility as defined in ORS 427.005, organized
 33 and existing under ORS chapter 65, that receives less than 50 percent of its funding from the state
 34 or a political subdivision of the state but that provides residential or vocational services to indi-
 35 viduals with [*mental retardation or*] developmental disabilities, more than half of whom are eligible
 36 for funding for services by the Department of Human Services under criteria established by the de-
 37 partment.

38 (2) The provisions of this section apply only to a nonprofit residential training facility, nonprofit
 39 residential training home or nonprofit facility that provides services to individuals with [*mental re-*
 40 *tardation or*] developmental disabilities under a contract with:

- 41 (a) The Department of Human Services; or
- 42 (b) A community mental health [*and*] **program or community** developmental disabilities pro-
 43 gram established pursuant to ORS 430.620.

44 **SECTION 52.** ORS 87.533 is amended to read:

45 87.533. A lien created by ORS 87.503 shall not be enforced so as to interfere with:

1 (1) Any assets or income allowed to the community spouse or dependent family member under
 2 42 U.S.C. 1396r-5(d) or any rule of the Department of Human Services **or the Oregon Health Au-**
 3 **thority**.

4 (2) The priority given to the recovery of medical assistance payments under ORS 115.125 (1)(i)
 5 or (j) or other medical assistance claims under ORS 416.350 [(2) and (3)].

6 (3) The eligibility of a person for medical assistance or entitlement to Medicaid assistance pay-
 7 ments.

8 **SECTION 53.** ORS 93.268 is amended to read:

9 93.268. (1) **As used in this section, “encumbrance” has the meaning given that term in**
 10 **ORS 411.692.**

11 [(1)] (2) A title insurance company or agent that discovers the presence of a request for notice
 12 of transfer or encumbrance pursuant to ORS 411.694 in the deed and mortgage records when per-
 13 forming a title search on real property shall:

14 (a) Provide the [*Department of Human Services*] **state agency that filed the request** with a
 15 notice of transfer or encumbrance of the real property within 30 days of a transfer or encumbrance
 16 that results in the issuance of a certificate of title insurance; and

17 (b) Disclose the presence of the request for notice of transfer or encumbrance in any report
 18 preliminary to, or any commitment to offer, a certificate of title insurance for the real property.

19 [(2)] (3) If the Department of Human Services **or the Oregon Health Authority** has caused to
 20 be recorded a termination of request for notice of transfer or encumbrance in the deed and mortgage
 21 records, a title insurance company or agent is no longer required to provide the notice of transfer
 22 or encumbrance required by subsection [(1)(a)] (2)(a) of this section for the affected real property.

23 [(3) *The Department of Human Services shall adopt by rule a model form for notice of transfer or*
 24 *encumbrance required by subsection (1)(a) of this section. A title insurance company or agent shall use*
 25 *the model form or a form substantially similar to the model form when notifying the department under*
 26 *subsection (1)(a) of this section.*]

27 (4) **A title insurance company or agent shall use the form adopted under ORS 411.694 or**
 28 **a form substantially similar to that form when providing the notice required by subsection**
 29 **(2)(a) of this section.**

30 **SECTION 54.** ORS 106.045 is amended to read:

31 106.045. (1) In addition to any other fees provided by law, the county clerk shall collect a fee
 32 of \$25 upon the application for a marriage license.

33 (2) The county clerk shall regularly pay over to the [*Oregon Health Authority*] **Department of**
 34 **Human Services** all moneys collected under subsection (1) of this section to be credited to the
 35 Domestic Violence Fund pursuant to ORS 409.300.

36 **SECTION 55.** ORS 106.330 is amended to read:

37 106.330. (1) In addition to any other fees provided by law, the county clerk shall collect a fee
 38 of \$25 for registering a Declaration of Domestic Partnership.

39 (2) The county clerk shall regularly pay over to the [*Oregon Health Authority*] **Department of**
 40 **Human Services** all moneys collected under subsection (1) of this section to be credited to the
 41 Domestic Violence Fund pursuant to ORS 409.300.

42 **SECTION 56.** ORS 113.085 is amended to read:

43 113.085. (1) Except as provided in subsection (2) of this section, upon the filing of the petition,
 44 if there is no will or there is a will and it has been proved, the court shall appoint a qualified person
 45 it finds suitable as personal representative, giving preference in the following order:

1 (a) The executor named in the will.

2 (b) The surviving spouse of the decedent or the nominee of the surviving spouse of the decedent.

3 (c) The nearest of kin of the decedent or the nominee of the nearest of kin of the decedent.

4 (d) The Director of Human Services **or the Director of the Oregon Health Authority**, or an
 5 attorney approved [*by the director*] under ORS 113.086, if the decedent received public assistance
 6 [*pursuant to ORS chapter 411 or received care at an institution described in ORS 179.321 (1),*] **as de-**
 7 **defined in ORS 411.010 or received care at an institution described in ORS 179.321 (1) or (2)** and
 8 it appears that the assistance or the cost of care may be recovered from the estate of the decedent.

9 [*(e) The Director of the Oregon Health Authority, or an attorney approved by the director under*
 10 *ORS 113.086, if the decedent received public assistance pursuant to ORS chapter 414 or received care*
 11 *at an institution described in ORS 179.321 (2), and it appears that the assistance or the cost of care*
 12 *may be recovered from the estate of the decedent.*]

13 [(f)] (e) The Department of Veterans' Affairs, if the decedent was a protected person under ORS
 14 406.050 (8), and the department has joined in the petition for such appointment.

15 [(g)] (f) Any other person.

16 (2) Except as provided in subsection (3) of this section, the court shall appoint the Department
 17 of State Lands as personal representative if it appears that the decedent died wholly intestate and
 18 without known heirs. The Attorney General shall represent the Department of State Lands in the
 19 administration of the estate. Any funds received by the Department of State Lands in the capacity
 20 of personal representative may be deposited in accounts, separate and distinct from the General
 21 Fund, established with the State Treasurer. Interest earned by such account shall be credited to that
 22 account.

23 (3) The court may appoint a person other than the Department of State Lands to administer the
 24 estate of a decedent who died wholly intestate and without known heirs if the person filing a peti-
 25 tion under ORS 113.035 attaches written authorization from an estate administrator of the Depart-
 26 ment of State Lands appointed under ORS 113.235 approving the filing of the petition by the person.
 27 Except as provided by rule adopted by the Director of the Department of State Lands, an estate
 28 administrator may consent to the appointment of another person to act as personal representative
 29 only if it appears after investigation that the estate is insolvent.

30 **SECTION 57.** ORS 113.145 is amended to read:

31 113.145. (1) Upon appointment a personal representative shall deliver or mail to the devisees,
 32 heirs and the persons described in ORS 113.035 (8) and (9) who were required to be named in the
 33 petition for appointment of a personal representative, at the addresses therein shown, information
 34 that shall include:

35 (a) The title of the court in which the estate proceeding is pending and the clerk's file number;

36 (b) The name of the decedent and the place and date of the death of the decedent;

37 (c) Whether or not a will of the decedent has been admitted to probate;

38 (d) The name and address of the personal representative and the attorney of the personal rep-
 39 resentative;

40 (e) The date of the appointment of the personal representative;

41 (f) A statement advising the devisee, heir or other interested person that the rights of the
 42 devisee, heir or other interested person may be affected by the proceeding and that additional in-
 43 formation may be obtained from the records of the court, the personal representative or the attorney
 44 for the personal representative;

45 (g) If information under this section is required to be delivered or mailed to a person described

1 in ORS 113.035 (8), a statement that the rights of the person in the estate may be barred unless the
 2 person proceeds as provided in ORS 113.075 within four months of the delivery or mailing of the
 3 information; and

4 (h) If information under this section is required to be delivered or mailed to a person described
 5 in ORS 113.035 (9), a statement that the rights of the person in the estate may be barred unless the
 6 person proceeds as provided in ORS 112.049 within four months of the delivery or mailing of the
 7 information.

8 (2) If the personal representative is a devisee, heir or other interested person named in the pe-
 9 tition the personal representative is not required to deliver or mail the information under this sec-
 10 tion to the personal representative.

11 (3) The failure of the personal representative to give information under this section is a breach
 12 of duty to the persons concerned, but does not affect the validity of appointment, duties or powers
 13 or the exercise of duties or powers.

14 (4) Within 30 days after the date of appointment a personal representative shall cause to be filed
 15 in the estate proceeding proof of the delivery or mailing required by this section or a waiver of
 16 notice as provided under ORS 111.225. The proof shall include a copy of the information delivered
 17 or mailed and the names of the persons to whom it was delivered or mailed.

18 (5) If before the filing of the final account the personal representative has actual knowledge that
 19 the petition did not include the name and address of any person described in ORS 113.035 (4), (5),
 20 (7), (8) or (9), the personal representative shall:

21 (a) Make reasonable efforts under the circumstances to ascertain each of those names and ad-
 22 dresses;

23 (b) Promptly deliver or mail information as described in subsection (1) of this section to each
 24 of those persons located after the filing of the petition and before the filing of the final account; and

25 (c) File in the estate proceeding, on or before filing the final account under ORS 116.083, proof
 26 of compliance with this subsection or a waiver of notice as provided under ORS 111.225.

27 (6) Within 30 days after the appointment of a personal representative, the personal represen-
 28 tative must mail or deliver the information specified in subsection (1) of this section and a copy of
 29 the death certificate of the decedent to the Department of Human Services and the Oregon Health
 30 Authority **or as otherwise provided by rule adopted by the authority.**

31 **SECTION 58.** ORS 114.305 is amended to read:

32 114.305. Subject to the provisions of ORS 97.130 (2) and except as restricted or otherwise pro-
 33 vided by the will of the decedent, a document of anatomical gift under ORS 97.965 or by court order,
 34 a personal representative, acting reasonably for the benefit of interested persons, is authorized to:

35 (1) Direct and authorize disposition of the remains of the decedent pursuant to ORS 97.130 and
 36 incur expenses for the funeral, burial or other disposition of the remains in a manner suitable to the
 37 condition in life of the decedent. Only those funeral expenses necessary for a plain and decent fu-
 38 neral and disposition of the remains of the decedent may be paid from the estate if the assets are
 39 insufficient to pay the claims of the Department of Human Services **and the Oregon Health Au-**
 40 **thority** for the net amount of public assistance, as defined in ORS 411.010, paid to or for the
 41 decedent and for care and maintenance of any decedent who was at a state institution to the extent
 42 provided in ORS 179.610 to 179.770.

43 (2) Retain assets owned by the decedent pending distribution or liquidation.

44 (3) Receive assets from fiduciaries or other sources.

45 (4) Complete, compromise or refuse performance of contracts of the decedent that continue as

1 obligations of the estate, as the personal representative may determine under the circumstances. In
 2 performing enforceable contracts by the decedent to convey or lease real property, the personal
 3 representative, among other courses of action, may:

4 (a) Execute and deliver a deed upon satisfaction of any sum remaining unpaid or upon receipt
 5 of the note of the purchaser adequately secured; or

6 (b) Deliver a deed in escrow with directions that the proceeds, when paid in accordance with
 7 the escrow agreement, be paid to the successors of the decedent, as designated in the escrow
 8 agreement.

9 (5) Satisfy written pledges of the decedent for contributions, whether or not the pledges consti-
 10 tuted binding obligations of the decedent or were properly presented as claims.

11 (6) Deposit funds not needed to meet currently payable debts and expenses, and not immediately
 12 distributable, in bank or savings and loan association accounts, or invest the funds in bank or
 13 savings and loan association certificates of deposit, or federally regulated money-market funds and
 14 short-term investment funds suitable for investment by trustees under ORS 130.750 to 130.775, or
 15 short-term United States Government obligations.

16 (7) Abandon burdensome property when it is valueless, or is so encumbered or is in a condition
 17 that it is of no benefit to the estate.

18 (8) Vote stocks or other securities in person or by general or limited proxy.

19 (9) Pay calls, assessments and other sums chargeable or accruing against or on account of se-
 20 curities.

21 (10) Sell or exercise stock subscription or conversion rights.

22 (11) Consent, directly or through a committee or other agent, to the reorganization, consol-
 23 idation, merger, dissolution or liquidation of a corporation or other business enterprise.

24 (12) Hold a security in the name of a nominee or in other form without disclosure of the interest
 25 of the estate, but the personal representative is liable for any act of the nominee in connection with
 26 the security so held.

27 (13) Insure the assets of the estate against damage and loss, and insure the personal represen-
 28 tative against liability to third persons.

29 (14) Advance or borrow money with or without security.

30 (15) Compromise, extend, renew or otherwise modify an obligation owing to the estate. A per-
 31 sonal representative who holds a mortgage, pledge, lien or other security interest may accept a
 32 conveyance or transfer of the encumbered asset in lieu of foreclosure in full or partial satisfaction
 33 of the indebtedness.

34 (16) Accept other real property in part payment of the purchase price of real property sold by
 35 the personal representative.

36 (17) Pay taxes, assessments and expenses incident to the administration of the estate.

37 (18) Employ qualified persons, including attorneys, accountants and investment advisers, to ad-
 38 vise and assist the personal representative and to perform acts of administration, whether or not
 39 discretionary, on behalf of the personal representative.

40 (19) Prosecute or defend actions, claims or proceedings in any jurisdiction for the protection of
 41 the estate and of the personal representative in the performance of duties as personal represen-
 42 tative.

43 (20) Prosecute claims of the decedent including those for personal injury or wrongful death.

44 (21) Continue any business or venture in which the decedent was engaged at the time of death
 45 to preserve the value of the business or venture.

1 (22) Incorporate or otherwise change the business form of any business or venture in which the
 2 decedent was engaged at the time of death.

3 (23) Discontinue and wind up any business or venture in which the decedent was engaged at the
 4 time of death.

5 (24) Provide for exoneration of the personal representative from personal liability in any con-
 6 tract entered into on behalf of the estate.

7 (25) Satisfy and settle claims and distribute the estate as provided in ORS chapters 111, 112, 113,
 8 114, 115, 116 and 117.

9 (26) Perform all other acts required or permitted by law or by the will of the decedent.

10 **SECTION 59.** ORS 115.125 is amended to read:

11 115.125. (1) If the applicable assets of the estate are insufficient to pay all expenses and claims
 12 in full, the personal representative shall make payment in the following order:

13 (a) Support of spouse and children, subject to the limitations imposed by ORS 114.065.

14 (b) Expenses of administration.

15 (c) Expenses of a plain and decent funeral and disposition of the remains of the decedent.

16 (d) Debts and taxes with preference under federal law.

17 (e) Reasonable and necessary medical and hospital expenses of the last illness of the decedent,
 18 including compensation of persons attending the decedent.

19 (f) Taxes with preference under the laws of this state that are due and payable while possession
 20 of the estate of the decedent is retained by the personal representative.

21 (g) Debts owed employees of the decedent for labor performed within 90 days immediately pre-
 22 ceding the date of death of the decedent.

23 (h) Child support arrearages.

24 (i) The claim of the **Department of Human Services or the Oregon Health Authority** for the
 25 amount of the state's monthly contribution to the federal government to defray the costs of outpa-
 26 tient prescription drug coverage provided to a person who is eligible for Medicare Part D pre-
 27 scription drug coverage and who receives benefits under the state medical assistance program or
 28 Title XIX of the Social Security Act.

29 (j) The claim of the Department of Human Services **or the Oregon Health Authority** for the
 30 net amount of assistance paid to or for the decedent, in the following order:

31 (A) Public assistance, as defined in ORS 411.010, funded entirely by moneys from the General
 32 Fund; and

33 (B) Public assistance, as defined in ORS 411.010, funded by a combination of state and federal
 34 funds.

35 (k) The claim of the Department of Human Services or the Oregon Health Authority for the care
 36 and maintenance of the decedent at a state institution, as provided in ORS 179.610 to 179.770.

37 (L) The claim of the Department of Corrections for care and maintenance of any decedent who
 38 was at a state institution to the extent provided in ORS 179.610 to 179.770.

39 (m) All other claims against the estate.

40 (2) If the applicable assets of the estate are insufficient to pay in full all expenses or claims of
 41 any one class specified in subsection (1) of this section, each expense or claim of that class shall
 42 be paid only in proportion to the amount thereof.

43 **SECTION 60.** ORS 115.195 is amended to read:

44 115.195. (1) A claim that has been disallowed by the personal representative may not be allowed
 45 by any court except upon some competent, satisfactory evidence other than the testimony of the

1 claimant.

2 (2) Notwithstanding subsection (1) of this section, claims for recovery of public assistance as
 3 defined by ORS 411.010 may be allowed based on evidence in the form of documents from the De-
 4 partment of Human Services **or the Oregon Health Authority** that contain information relating to
 5 that public assistance, such as the date that services were provided to the decedent, the classifica-
 6 tion of those services, the name of the provider or the provider's identification number, and the
 7 amount of the public assistance payment made for the services. The documents may be prints ob-
 8 tained from microfilm or microfiche, or printouts from computer records or other electronic storage
 9 medium. Notwithstanding ORS 40.460 and 40.510, a document described in this subsection is prima
 10 facie evidence of the information contained in the document and is not excluded from introduction
 11 as hearsay, and extrinsic evidence of authenticity of the document as a condition precedent to
 12 admissibility is not required, if the document bears a seal that on its face is the seal of the Director
 13 of Human Services or the designee of the director, **or the Director of the Oregon Health Au-**
 14 **thority or the designee of the director**, and:

15 (a) For a print obtained from microfilm or microfiche, also bears a statement indicating that the
 16 print is a true copy of the microfilm or microfiche record, signed by a person who purports to be
 17 an officer or employee of the department [*of Human Services*] **or the authority**; or

18 (b) For a printout from computer records or other electronic storage medium, also bears a
 19 statement indicating that the printout accurately reflects the data retrieved, signed by a person who
 20 purports to be an officer or employee of the department [*of Human Services*] **or the authority**.

21 **SECTION 61.** ORS 116.093 is amended to read:

22 116.093. (1) Upon filing the final account and petition for a judgment of distribution, the personal
 23 representative shall fix a time for filing objections thereto in a notice thereof. Not less than 20 days
 24 before the time fixed in the notice, the personal representative shall cause a copy of the notice to
 25 be mailed to:

26 (a) Each heir at the last-known address of the heir, if the decedent died intestate.

27 (b) Each devisee at the last-known address of the devisee, if the decedent died testate.

28 (c) Each creditor who has not received payment in full and whose claim has not otherwise been
 29 barred.

30 (d) Any other person known to the personal representative to have or to claim an interest in
 31 the estate being distributed.

32 (2) The notice need not be mailed to the personal representative.

33 (3) Proof of the mailing to those persons entitled to notice shall be filed in the estate proceeding
 34 at or before approval of the final account.

35 (4) If the Department of Human Services has presented a claim under ORS chapter 411 or ORS
 36 416.310 to 416.340 or 417.010 to 417.080, or the Oregon Health Authority has presented a claim under
 37 ORS chapter 414 or ORS 416.310 to 416.340 or 416.510 to 416.990, or the Department of Corrections
 38 has presented a claim under ORS 179.620 (3), and the claim has not been settled or paid in full, the
 39 personal representative shall mail to the appropriate department a copy of the final account at the
 40 same time, and shall make proof of the mailing in the same manner, as the notice provided for in
 41 this section.

42 (5) **The Oregon Health Authority may adopt rules designating the Department of Human**
 43 **Services as the appropriate department to receive the final account for claims presented by**
 44 **the authority under subsection (4) of this section.**

45 **SECTION 62.** ORS 130.370 is amended to read:

1 130.370. (1) Within three months after a petition is entered in the register of the court under
 2 ORS 130.355, or within such longer time as the court allows, a trustee must make reasonably dili-
 3 gent efforts to investigate the financial records and affairs of the settlor and to take such further
 4 actions as are reasonably necessary to ascertain the identity and address of each person who has
 5 or asserts a claim against the trust estate. The court shall allow the trustee as much time as re-
 6 quested by the trustee for the purpose of determining the claims against the trust estate. The trustee
 7 must thereafter cause to be delivered or mailed a notice containing the information required in
 8 subsection (2) of this section [*to each person known by the trustee to have or to assert a claim against*
 9 *the trust estate and*] to the Department of Human Services and the Oregon Health Authority, **or as**
 10 **otherwise provided by rule adopted by the authority, and to each person known by the trust-**
 11 **tee to have or to assert a claim against the trust estate.** Notice under this section is not re-
 12 quired for any claim that has already been presented, accepted or paid in full or on account of a
 13 claim that is merely conjectural.

14 (2) The notice required by this section must include:

15 (a) The name of the settlor and the last four digits of the settlor's Social Security number;

16 (b) The name of the trustee and the address at which claims must be presented;

17 (c) A statement that claims against the trust estate that are not presented to the trustee within
 18 30 days after the date of the notice may be barred;

19 (d) The date of the notice, which shall be the date on which the notice is delivered or mailed;
 20 and

21 (e) A copy of the settlor's death certificate.

22 **SECTION 63.** ORS 130.425 is amended to read:

23 130.425. (1) Claims allowed against the trust estate under ORS 130.350 to 130.450 must be paid
 24 by the trustee in the following order of priority:

25 (a) Expenses of administering the trust estate.

26 (b) Expenses of a plain and decent funeral and disposition of the remains of the settlor.

27 (c) Debts and taxes with preference under federal law.

28 (d) Reasonable and necessary medical and hospital expenses of the last illness of the settlor,
 29 including compensation of persons attending the settlor.

30 (e) Taxes with preference under the laws of this state that are due and payable while possession
 31 of the trust estate of the settlor is retained by the trustee.

32 (f) Debts owed employees of the settlor for labor performed within 90 days immediately preced-
 33 ing the date of death of the settlor.

34 (g) Child support arrearages.

35 (h) [*A claim*] **Claims** of the Department of Human Services **and the Oregon Health Authority**
 36 for the net amount of public assistance, as defined in ORS 411.010.

37 (i) [*A claim*] **Claims** of the Department of Human Services [*or*] **and** the Oregon Health Authority
 38 for the care and maintenance of any settlor who was a patient at a state institution under ORS
 39 179.610 to 179.770.

40 (j) All other claims against the trust estate.

41 (2) If the assets of the trust estate are insufficient to pay in full all expenses or claims of any
 42 one class specified in subsection (1) of this section, each expense or claim of that class shall be paid
 43 only in proportion to the amount thereof.

44 **SECTION 64.** ORS 179.505 is amended to read:

45 179.505. (1) As used in this section:

1 (a) "Disclosure" means the release of, transfer of, provision of access to or divulgence in any
2 other manner of information outside the health care services provider holding the information.

3 (b) "Health care services provider" means:

4 (A) Medical personnel or other staff employed by or under contract with a public provider to
5 provide health care or maintain written accounts of health care provided to individuals; or

6 (B) Units, programs or services designated, operated or maintained by a public provider to pro-
7 vide health care or maintain written accounts of health care provided to individuals.

8 (c) "Individually identifiable health information" means any health information that is:

9 (A) Created or received by a health care services provider; and

10 (B) Identifiable to an individual, including demographic information that identifies the individual,
11 or for which there is a reasonable basis to believe the information can be used to identify an indi-
12 vidual, and that relates to:

13 (i) The past, present or future physical or mental health or condition of an individual;

14 (ii) The provision of health care to an individual; or

15 (iii) The past, present or future payment for the provision of health care to an individual.

16 (d) "Personal representative" includes but is not limited to:

17 (A) A person appointed as a guardian under ORS 125.305, 419B.370, 419C.481 or 419C.555 with
18 authority to make medical and health care decisions;

19 (B) A person appointed as a health care representative under ORS 127.505 to 127.660 or a rep-
20 resentative under ORS 127.700 to 127.737 to make health care decisions or mental health treatment
21 decisions; and

22 (C) A person appointed as a personal representative under ORS chapter 113.

23 (e) "Psychotherapy notes" means notes recorded in any medium:

24 (A) By a mental health professional, in the performance of the official duties of the mental
25 health professional;

26 (B) Documenting or analyzing the contents of conversation during a counseling session; and

27 (C) That are maintained separately from the rest of the individual's record.

28 (f) "Psychotherapy notes" does not mean notes documenting:

29 (A) Medication prescription and monitoring;

30 (B) Counseling session start and stop times;

31 (C) Modalities and frequencies of treatment furnished;

32 (D) Results of clinical tests; or

33 (E) Any summary of the following items:

34 (i) Diagnosis;

35 (ii) Functional status;

36 (iii) Treatment plan;

37 (iv) Symptoms;

38 (v) Prognosis; or

39 (vi) Progress to date.

40 (g) "Public provider" means:

41 (A) The Blue Mountain Recovery Center, the Eastern Oregon Training Center and the Oregon
42 State Hospital campuses;

43 (B) Department of Corrections institutions as defined in ORS 421.005;

44 (C) A contractor of the Department of Corrections, the Department of Human Services or the
45 Oregon Health Authority that provides health care to individuals residing in a state institution op-

1 erated by the agencies;

2 (D) A community mental health program or community developmental disabilities program as
3 described in ORS 430.610 to 430.695 and the public and private entities with which it contracts to
4 provide mental health or developmental disabilities programs or services;

5 (E) A program or service provided under ORS 431.250, 431.375 to 431.385 or 431.416;

6 (F) A program or service established or maintained under ORS 430.630 **or section 164 of this**
7 **2011 Act;**

8 (G) A program or facility providing an organized full-day or part-day program of treatment that
9 is licensed, approved, established, maintained or operated by or contracted with the Oregon Health
10 Authority for alcoholism, drug addiction or mental or emotional disturbance;

11 (H) A program or service providing treatment by appointment that is licensed, approved, estab-
12 lished, maintained or operated by or contracted with the authority for alcoholism, drug addiction
13 or mental or emotional disturbance; or

14 (I) The impaired health professional program established under ORS 676.190.

15 (h) "Written account" means records containing only individually identifiable health information.

16 (2) Except as provided in subsections (3), (4), (6), (7), (8), (9), (11), (12), (14), (15), (16) and (17) of
17 this section or unless otherwise permitted or required by state or federal law or by order of the
18 court, written accounts of the individuals served by any health care services provider maintained
19 in or by the health care services provider by the officers or employees thereof who are authorized
20 to maintain written accounts within the official scope of their duties are not subject to access and
21 may not be disclosed. This subsection applies to written accounts maintained in or by facilities of
22 the Department of Corrections only to the extent that the written accounts concern the medical,
23 dental or psychiatric treatment as patients of those under the jurisdiction of the Department of
24 Corrections.

25 (3) If the individual or a personal representative of the individual provides an authorization, the
26 content of any written account referred to in subsection (2) of this section must be disclosed ac-
27 cordingly, if the authorization is in writing and is signed and dated by the individual or the personal
28 representative of the individual and sets forth with specificity the following:

29 (a) Name of the health care services provider authorized to make the disclosure, except when
30 the authorization is provided by recipients of or applicants for public assistance to a governmental
31 entity for purposes of determining eligibility for benefits or investigating for fraud;

32 (b) Name or title of the persons or organizations to which the information is to be disclosed or
33 that information may be disclosed to the public;

34 (c) Name of the individual;

35 (d) Extent or nature of the information to be disclosed; and

36 (e) Statement that the authorization is subject to revocation at any time except to the extent
37 that action has been taken in reliance thereon, and a specification of the date, event or condition
38 upon which it expires without express revocation. However, a revocation of an authorization is not
39 valid with respect to inspection or records necessary to validate expenditures by or on behalf of
40 governmental entities.

41 (4) The content of any written account referred to in subsection (2) of this section may be dis-
42 closed without an authorization:

43 (a) To any person to the extent necessary to meet a medical emergency.

44 (b) At the discretion of the responsible officer of the health care services provider, which in the
45 case of any Oregon Health Authority facility or community mental health program is the Director

1 of the Oregon Health Authority, to persons engaged in scientific research, program evaluation, peer
2 review and fiscal audits. However, individual identities may not be disclosed to such persons, except
3 when the disclosure is essential to the research, evaluation, review or audit and is consistent with
4 state and federal law.

5 (c) To governmental agencies when necessary to secure compensation for services rendered in
6 the treatment of the individual.

7 (5) When an individual's identity is disclosed under subsection (4) of this section, a health care
8 services provider shall prepare, and include in the permanent records of the health care services
9 provider, a written statement indicating the reasons for the disclosure, the written accounts dis-
10 closed and the recipients of the disclosure.

11 (6) The content of any written account referred to in subsection (2) of this section and held by
12 a health care services provider currently engaged in the treatment of an individual may be disclosed
13 to officers or employees of that provider, its agents or cooperating health care services providers
14 who are currently acting within the official scope of their duties to evaluate treatment programs,
15 to diagnose or treat or to assist in diagnosing or treating an individual when the written account
16 is to be used in the course of diagnosing or treating the individual. Nothing in this subsection
17 prevents the transfer of written accounts referred to in subsection (2) of this section among health
18 care services providers, the Department of Human Services, the Department of Corrections, the
19 Oregon Health Authority or a local correctional facility when the transfer is necessary or beneficial
20 to the treatment of an individual.

21 (7) When an action, suit, claim, arbitration or proceeding is brought under ORS 34.105 to 34.240
22 or 34.310 to 34.730 and involves a claim of constitutionally inadequate medical care, diagnosis or
23 treatment, or is brought under ORS 30.260 to 30.300 and involves the Department of Corrections or
24 an institution operated by the department, nothing in this section prohibits the disclosure of any
25 written account referred to in subsection (2) of this section to the Department of Justice, Oregon
26 Department of Administrative Services, or their agents, upon request, or the subsequent disclosure
27 to a court, administrative hearings officer, arbitrator or other administrative decision maker.

28 (8)(a) When an action, suit, claim, arbitration or proceeding involves the Department of Human
29 Services, the Oregon Health Authority or an institution operated by the department or authority,
30 nothing in this section prohibits the disclosure of any written account referred to in subsection (2)
31 of this section to the Department of Justice, Oregon Department of Administrative Services, or their
32 agents.

33 (b) Disclosure of information in an action, suit, claim, nonlabor arbitration or proceeding is
34 limited by the relevancy restrictions of ORS 40.010 to 40.585, 183.710 to 183.725, 183.745 and 183.750
35 and ORS chapter 183. Only written accounts of a plaintiff, claimant or petitioner shall be disclosed
36 under this paragraph.

37 (c) Disclosure of information as part of a labor arbitration or proceeding to support a personnel
38 action taken against staff is limited to written accounts directly relating to alleged action or in-
39 action by staff for which the personnel action was imposed.

40 (9)(a) The copy of any written account referred to in subsection (2) of this section, upon written
41 request of the individual or a personal representative of the individual, shall be disclosed to the
42 individual or the personal representative of the individual within a reasonable time not to exceed
43 five working days. The individual or the personal representative of the individual shall have the
44 right to timely access to any written accounts.

45 (b) If the disclosure of psychiatric or psychological information contained in the written account

1 would constitute an immediate and grave detriment to the treatment of the individual, disclosure
2 may be denied, if medically contraindicated by the treating physician or a licensed health care
3 professional in the written account of the individual.

4 (c) The Department of Corrections may withhold psychiatric or psychological information if:

5 (A) The information relates to an individual other than the individual seeking it.

6 (B) Disclosure of the information would constitute a danger to another individual.

7 (C) Disclosure of the information would compromise the privacy of a confidential source.

8 (d) However, a written statement of the denial under paragraph (c) of this subsection and the
9 reasons therefor must be entered in the written account.

10 (10) A health care services provider may require a person requesting disclosure of the contents
11 of a written account under this section to reimburse the provider for the reasonable costs incurred
12 in searching files, abstracting if requested and copying if requested. However, an individual or a
13 personal representative of the individual may not be denied access to written accounts concerning
14 the individual because of inability to pay.

15 (11) A written account referred to in subsection (2) of this section may not be used to initiate
16 or substantiate any criminal, civil, administrative, legislative or other proceedings conducted by
17 federal, state or local authorities against the individual or to conduct any investigations of the in-
18 dividual. If the individual, as a party to an action, suit or other judicial proceeding, voluntarily
19 produces evidence regarding an issue to which a written account referred to in subsection (2) of this
20 section would be relevant, the contents of that written account may be disclosed for use in the
21 proceeding.

22 (12) Information obtained in the course of diagnosis, evaluation or treatment of an individual
23 that, in the professional judgment of the health care services provider, indicates a clear and imme-
24 diate danger to others or to society may be reported to the appropriate authority. A decision not
25 to disclose information under this subsection does not subject the provider to any civil liability.
26 Nothing in this subsection may be construed to alter the provisions of ORS 146.750, 146.760,
27 419B.010, 419B.015, 419B.020, 419B.025, 419B.030, 419B.035, 419B.040 and 419B.045.

28 (13) The prohibitions of this section apply to written accounts concerning any individual who
29 has been treated by any health care services provider irrespective of whether or when the individual
30 ceases to receive treatment.

31 (14) Persons other than the individual or the personal representative of the individual who are
32 granted access under this section to the contents of a written account referred to in subsection (2)
33 of this section may not disclose the contents of the written account to any other person except in
34 accordance with the provisions of this section.

35 (15) Nothing in this section prevents the Department of Human Services or the Oregon Health
36 Authority from disclosing the contents of written accounts in its possession to individuals or agen-
37 cies with whom children in its custody are placed.

38 (16) The system described in ORS 192.517 (1) shall have access to records, as defined in ORS
39 192.515, as provided in ORS 192.517.

40 (17)(a) Except as provided in paragraph (b) of this subsection, a health care services provider
41 must obtain an authorization from an individual or a personal representative of the individual to
42 disclose psychotherapy notes.

43 (b) A health care services provider may use or disclose psychotherapy notes without obtaining
44 an authorization from the individual or a personal representative of the individual to carry out the
45 following treatment, payment and health care operations:

1 (A) Use by the originator of the psychotherapy notes for treatment;

2 (B) Disclosure by the health care services provider for its own training program in which stu-
3 dents, trainees or practitioners in mental health learn under supervision to practice or improve their
4 skills in group, joint, family or individual counseling; or

5 (C) Disclosure by the health care services provider to defend itself in a legal action or other
6 proceeding brought by the individual or a personal representative of the individual.

7 (c) An authorization for the disclosure of psychotherapy notes may not be combined with an
8 authorization for a disclosure of any other individually identifiable health information, but may be
9 combined with another authorization for a disclosure of psychotherapy notes.

10 **SECTION 65.** ORS 179.560 is amended to read:

11 179.560. (1) There is established in the [*Department of Human Services*] **Oregon Health Au-**
12 **thority** the Oregon State Hospital Advisory Board, consisting of 16 members. Two nonvoting mem-
13 bers shall be from the Legislative Assembly, one appointed by the President of the Senate and one
14 appointed by the Speaker of the House of Representatives. Fourteen members shall be appointed by
15 the Governor and be subject to confirmation by the Senate in the manner prescribed in ORS 171.562
16 and 171.565 and shall include the following:

17 (a) Three voting members who are individuals who advocate for or provide representation to
18 individuals with mental illness;

19 (b) Three voting members who are health care professionals who have experience working with
20 individuals with mental illness;

21 (c) Two voting members who are or have been consumers of mental health services, at least one
22 of whom is a former patient of the Oregon State Hospital located in Salem, Marion County;

23 (d) One voting member who is a member of the family of a consumer of mental health services;

24 (e) Two voting members who are members of the general public who live in the vicinity of the
25 Oregon State Hospital located in Salem, Marion County; and

26 (f) Three nonvoting members who are members of a public employee bargaining unit and who
27 are employed by the Oregon State Hospital located in Salem, Marion County, as follows:

28 (A) One individual to represent board-certified physicians;

29 (B) One individual to represent board-certified nursing staff; and

30 (C) One individual to represent direct care services staff.

31 (2) Members appointed by the Governor shall serve four-year terms, but a member serves at the
32 pleasure of the Governor. Before the expiration of the term of a member appointed by the Governor,
33 the Governor shall appoint a successor whose term begins on July 1 next following. A member is
34 eligible for reappointment.

35 (3) Members of the board appointed by the President of the Senate and the Speaker of the House
36 of Representatives shall serve two-year terms.

37 (4) If there is a vacancy for any cause, the appointing authority shall make an appointment to
38 become immediately effective for the unexpired term.

39 (5) The Governor shall select one of the voting members of the Oregon State Hospital Advisory
40 Board as chairperson and another as vice chairperson, for such terms and with duties and powers
41 necessary for the performance of the functions of such offices as the Governor determines.

42 (6) A majority of the voting members of the board constitutes a quorum for the transaction of
43 business.

44 (7) The board shall meet at times and places specified by the call of the chairperson or of a
45 majority of the members of the board.

1 (8) The [Department of Human Services] **Oregon Health Authority** shall provide staff support
2 to the board.

3 (9) A voting member of the board may not individually or in a fiduciary capacity have a finan-
4 cial interest in the Oregon State Hospital located in Salem, Marion County.

5 **SECTION 66.** ORS 179.570 is amended to read:

6 179.570. The Oregon State Hospital Advisory Board established by ORS 179.560:

7 (1) Shall periodically conduct a comprehensive review of federal and state laws concerning, and
8 administrative rules, policies, procedures and protocols of the Oregon State Hospital related to, the
9 safety, security and care of patients;

10 (2) May make recommendations directly to the superintendent of the Oregon State Hospital, the
11 Director of [Human Services] **the Oregon Health Authority**, the Legislative Assembly or interim
12 committees of the Legislative Assembly concerning:

13 (a) Federal and state laws concerning, and administrative rules, policies, procedures and proto-
14 cols of the hospital related to, the safety, security and care of patients;

15 (b) Performance measures related to the safety, security and care of patients;

16 (c) Goals for improvement in the safety, security and care of patients of the hospital and im-
17 provements that are under way; and

18 (d) Potential legislative proposals or budget packages related to the hospital; and

19 (3) Shall report annually to an appropriate committee of the Legislative Assembly regarding the
20 activities of the board.

21 **SECTION 67.** ORS 181.735 is amended to read:

22 181.735. (1)(a) The Department of State Police shall create and maintain a medical health data-
23 base within the Law Enforcement Data System in order to provide law enforcement agencies with
24 information to help the agencies assist persons with a qualifying illness or condition in obtaining
25 medical, mental health and social services.

26 (b) The department shall provide each community mental health **program director** and **each**
27 **community** developmental disabilities program director with the ability to input and remove data
28 from the medical health database.

29 (c) The medical health database may not be accessible to any person who is not employed by a
30 community mental health [and] **program, community** developmental disabilities program or a law
31 enforcement agency as defined in ORS 181.010.

32 (2) Not later than seven days after receiving a completed enrollment form described in sub-
33 section (6)(a) of this section, a [community mental health and developmental disabilities program] di-
34 rector shall enter an individual's information into the medical health database if the director:

35 (a) Has verified that the individual has a qualifying illness or condition; and

36 (b) Has obtained the express written consent of:

37 (A) The individual;

38 (B) A person authorized to make medical decisions for the individual, if the individual is subject
39 to a guardianship, advanced directive for health care, declaration for mental health treatment or
40 power of attorney that authorizes the person to make medical decisions for the individual; or

41 (C) A parent of the individual, if the individual is under 14 years of age.

42 (3) To be valid, the express written consent described in subsection (2)(b) of this section must
43 be witnessed by at least two adults as follows:

44 (a) Each witness shall witness either the signing of the instrument by the individual or the
45 person described in subsection (2)(b)(B) or (C) of this section, or the individual's or person's ac-

1 knowledge of the signature of the individual or person.

2 (b) At least one witness shall be a person who is not:

3 (A) A relative of the individual by blood, marriage or adoption; or

4 (B) An owner, operator or employee of a health care facility in which the individual is a patient
5 or resident.

6 (c) The individual's primary care physician or mental health service provider, or any relative
7 of the physician or provider, may not be a witness.

8 (4) *[The community mental health and developmental disabilities program]* A director shall destroy
9 the completed enrollment form and remove an individual's information from the medical health da-
10 tabase:

11 (a) If the director receives a completed revocation of consent form described in subsection (6)(b)
12 of this section, signed by the individual or a person described in subsection (2)(b)(B) or (C) of this
13 section;

14 (b) If the individual or a person described in subsection (2)(b)(B) of this section provides the di-
15 rector with a court order or other document demonstrating that the person no longer has the au-
16 thority to make medical decisions for the individual;

17 (c) When an individual for whom consent was obtained under subsection (2)(b)(C) of this section
18 becomes 14 years of age; or

19 (d) Three years from the date on which the individual's information was entered into the data-
20 base.

21 (5) Not less than 90 days prior to removing an individual from the medical health database under
22 subsection (4)(c) or (d) of this section, *[the]* a director shall provide notice of the impending removal
23 to the individual and the person described in subsection (2)(b)(B) or (C) of this section.

24 (6) The *[Department of Human Services]* **Oregon Health Authority** shall develop:

25 (a) An enrollment form that allows for the collection of information to be entered into the
26 medical health database, and that clearly states that consent by the individual or a person described
27 in subsection (2)(b)(B) or (C) of this section is voluntary, revocable and is not a precondition for
28 receiving medical care or mental health treatment or for discharge from a facility or program.

29 (b) A revocation of consent form that allows an individual or a person described in subsection
30 (2)(b)(B) or (C) of this section to revoke the consent to include the individual's information in the
31 medical health database.

32 (7) The medical health database must contain the following information:

33 (a) The individual's name, date of birth, last known address and physical description;

34 (b) Any pertinent information related to the individual's illness or condition, including related
35 symptoms, that may assist law enforcement agencies in carrying out the purposes of this section;

36 (c) The date on which the information was first entered into the medical health database and
37 the date of any subsequent updates; and

38 (d) Contact information for at least two of the following persons:

39 (A) The individual's primary care physician;

40 (B) The individual's case manager in the community mental health *[and]* **program or the**
41 **community** developmental disabilities program;

42 (C) A probation officer;

43 (D) A family member; or

44 (E) Any other person willing to serve as an emergency contact person for the individual.

45 (8) Each *[community mental health and developmental disabilities program]* director shall provide

1 the local public safety coordinating council described in ORS 423.560 with an annual report on the
 2 use of the medical health database. The report may not include personally identifiable information
 3 that is contained in the medical health database.

4 (9) As used in this section:

5 (a) “Community mental health **program director**” and “**community** developmental disabilities
 6 program director” [*includes*] **include** a designee of the director.

7 (b) “Dementia” means the progressive deterioration of intellectual functioning and other cogni-
 8 tive skills, including but not limited to aphasia, apraxia, memory, agnosia and executive functioning,
 9 that leads to a significant impairment in social or occupational function and that represents a sig-
 10 nificant decline from a previous level of functioning.

11 (c) “Developmental disability” has the meaning given that term in ORS 40.460 (18a)(d).

12 (d) “Qualifying illness or condition” means:

13 (A) Dementia;

14 (B) A developmental disability;

15 (C) An Axis I diagnosis that is described in the Diagnostic and Statistical Manual of Mental
 16 Disorders published by the American Psychiatric Association; or

17 (D) A physical or behavioral disorder that causes disorientation or otherwise may impede an
 18 individual’s ability to interact effectively with a law enforcement officer.

19 **SECTION 68.** ORS 238.082 is amended to read:

20 238.082. (1) Subject to the limitations in this section, any public employer may employ any
 21 member who is retired for service if the administrative head of the public employer is satisfied that
 22 such employment is in the public interest.

23 (2) Except as provided in this section, the period or periods of employment by one or more
 24 public employers of a retired member who is reemployed under this section may not total 1,040
 25 hours or more in any calendar year.

26 (3) A retired member who is receiving old-age, survivors or disability insurance benefits under
 27 the federal Social Security Act may be employed under this section for the number of hours per-
 28 mitted by subsection (2) of this section, or for the number of hours for which the salary equals the
 29 maximum allowed for receipt of the full amount of those benefits to which the person is entitled,
 30 whichever is greater.

31 (4) Except as provided in subsection (9) of this section, the limitations on employment imposed
 32 by subsections (2) and (3) of this section do not apply to a retired member who is employed as a
 33 teacher or as an administrator, as those terms are defined in ORS 342.120, if the retired member is
 34 employed by a school district or community college district located within a county with a popu-
 35 lation of not more than 35,000 inhabitants according to the latest federal decennial census, or is
 36 employed by an education service district and the retired member’s primary work duties are per-
 37 formed in a county with a population of not more than 35,000 inhabitants according to the latest
 38 federal decennial census. A retired member who is employed under this subsection as a teacher, as
 39 defined in ORS 342.120, by the same public employer that employed the member at the time of re-
 40 tirement remains in the same collective bargaining unit that included the member before retirement.

41 (5) Except as provided in subsection (9) of this section, the limitations on employment imposed
 42 by subsections (2) and (3) of this section do not apply to a retired member who is employed:

43 (a) By the sheriff of a county with a population of fewer than 75,000 inhabitants, according to
 44 the latest federal decennial census;

45 (b) By the municipal police department of a city with a population of fewer than 15,000 inhab-

1 itants, according to the latest federal decennial census;

2 (c) By the state or a county for work in a correctional institution located in a county with a
3 population of fewer than 75,000 inhabitants, according to the latest federal decennial census;

4 (d) By the Black Butte Ranch Rural Fire Protection District, the Black Butte Ranch Service
5 District or the Sunriver Service District;

6 (e) By the Oregon State Police for work in a county with a population of fewer than 75,000 in-
7 habitants, according to the latest federal decennial census; [or]

8 (f) As a deputy director or assistant director of the Department of Human Services, if the Gov-
9 ernor approves the exemption for the person from the limitations on employment imposed in sub-
10 sections (2) and (3) of this section[.]; **or**

11 **(g) As a deputy director or assistant director of the Oregon Health Authority, if the**
12 **Governor approves the exemption for the person from the limitations on employment im-**
13 **posed in subsections (2) and (3) of this section.**

14 (6) Except as provided in subsection (9) of this section, the limitations on employment imposed
15 by subsections (2) and (3) of this section do not apply to a retired member who is employed to tem-
16 porarily replace an employee who serves in the National Guard or in a reserve component of the
17 Armed Forces of the United States and who is called to federal active duty.

18 (7) Except as provided in subsection (9) of this section, the limitations on employment imposed
19 by subsections (2) and (3) of this section do not apply to a retired member who is employed by a road
20 assessment district organized under ORS 371.405 to 371.535.

21 (8) Except as provided in subsection (9) of this section, the limitations on employment imposed
22 by subsections (2) and (3) of this section do not apply to a retired member who is a nurse and is
23 employed by a public employer as a nurse or for the purpose of teaching nursing during the period
24 in which a nursing workforce shortage declared by the Legislative Assembly or the Governor is in
25 effect.

26 (9)(a) Except as provided in paragraph (b) of this subsection, subsections (4) to (8) of this section
27 do not apply to any member who retires under the provisions of ORS 238.280 (1), (2) or (3).

28 (b) Subsection (4) of this section applies to a person who retires under the provisions of ORS
29 238.280 (1), (2) or (3) as long as the person's date of retirement is more than six months before the
30 date the person is employed under subsection (4) of this section.

31 (10) Employment under this section does not affect the status of a person as a retired member
32 of the system and a recipient of retirement benefits under this chapter.

33 (11) Hours worked by a person employed under subsections (4) to (8) of this section shall not
34 be counted for the purpose of the limitations on employment imposed by subsections (2) and (3) of
35 this section.

36 **SECTION 69.** ORS 243.061 is amended to read:

37 243.061. (1) There is created in the Oregon [*Department of Administrative Services*] **Health Au-**
38 **thority** the Public Employees' Benefit Board consisting of eight voting members and two members
39 of the Legislative Assembly as nonvoting advisory members. Two of the voting members are ex
40 officio members and six are appointed by the Governor. The voting members shall be:

41 (a) Four members representing the state as an employer and management employees, who shall
42 be as follows:

43 (A) The Director of the Oregon [*Department of Administrative Services*] **Health Authority** or a
44 designee of the director;

45 (B) The Administrator of the Office for Oregon Health Policy and Research or a designee of the

1 administrator; and

2 (C) Two management employees appointed by the Governor from areas of state government
3 other than the Oregon [*Department of Administrative Services*] **Health Authority** or the Office for
4 Oregon Health Policy and Research; and

5 (b) Four members appointed by the Governor and representing nonmanagement representable
6 employees, who shall be as follows:

7 (A) Two persons from the largest employee representative unit;

8 (B) One person from the second largest employee representative unit; and

9 (C) One person from representable employees not represented by employee representative units
10 described in subparagraphs (A) and (B) of this paragraph.

11 (2) One member of the Senate shall be appointed by the President of the Senate and one member
12 of the House of Representatives shall be appointed by the Speaker of the House to serve as non-
13 voting advisory members.

14 (3) The term of office of each appointed voting member is four years, but an appointed voting
15 member serves at the pleasure of the Governor. Before the expiration of the term of a voting mem-
16 ber appointed by the Governor, the Governor shall appoint a successor to take office upon the date
17 of that expiration. A member is eligible for reappointment. If there is a vacancy for any cause, the
18 Governor shall make an appointment to become immediately effective for the unexpired term.

19 (4) The appointments by the Governor of voting members of the board are subject to confirma-
20 tion by the Senate in the manner prescribed in ORS 171.562 and 171.565.

21 (5) Members of the board who are not members of the Legislative Assembly shall receive no
22 compensation for their services, but shall be paid for their necessary and actual expenses while on
23 official business in accordance with ORS 292.495. Members of the board who are members of the
24 Legislative Assembly shall be paid compensation and expense reimbursement as provided in ORS
25 171.072, payable from funds appropriated to the Legislative Assembly.

26 **SECTION 70.** ORS 243.145 is amended to read:

27 243.145. (1) The Public Employees' Benefit Board shall have authority to employ whatever means
28 are reasonably necessary to carry out the purposes of ORS 243.105 to 243.285 and 292.051. Such
29 authority shall include but is not limited to authority to self-insure and to seek clarification,
30 amendment, modification, suspension or termination of any agreement or contract that in the board's
31 judgment requires such action.

32 (2) Upon providing specific notice in writing to the carrier, the affected employee organization
33 or organizations, the Oregon [*Department of Administrative Services*] **Health Authority** and affected,
34 eligible employees, and after affording opportunity for a public hearing upon the issues that may be
35 involved, the board may enter an order withdrawing approval of any benefit plan. Thirty days after
36 entry of the order, the board shall terminate all withholding authorizations of eligible employees and
37 terminate all board-approved participation in the plan.

38 (3) The board by order may terminate the participation of any state agency if within three
39 months the state agency fails to perform any action required by ORS 243.105 to 243.285 and 292.051
40 or by board rule.

41 **SECTION 71.** ORS 243.862 is amended to read:

42 243.862. (1) There is established in the Oregon [*Department of Administrative Services*] **Health**
43 **Authority** an Oregon Educators Benefit Board consisting of 10 members appointed by the Governor,
44 including:

45 (a) Two members representing district boards;

1 (b) Two members representing district management;

2 (c) Two members representing nonmanagement district employees from the largest labor organ-
3 ization representing district employees;

4 (d) One member representing nonmanagement district employees from the second largest labor
5 organization representing district employees;

6 (e) One member representing nonmanagement district employees who are not represented by
7 labor organizations described in paragraphs (c) and (d) of this subsection; and

8 (f) Two members with expertise in health policy or risk management.

9 (2) The term of office of each member is four years, but a member serves at the pleasure of the
10 Governor. Before the expiration of the term of a member, the Governor shall appoint a successor
11 to take office upon the date of that expiration. A member is eligible for reappointment. If there is
12 a vacancy for any cause, the Governor shall make an appointment to become immediately effective
13 for the unexpired term.

14 (3) A member of the board is not entitled to compensation, but may be reimbursed from funds
15 available to the board for actual and necessary travel and other expenses incurred by the member
16 in the performance of the member's official duties in the manner and amount provided in ORS
17 292.495.

18 (4) The board shall select one of its members as chairperson and another as vice chairperson,
19 for such terms and with duties and powers necessary for the performance of the functions of such
20 offices as the board determines.

21 (5) A majority of the members of the board constitutes a quorum for the transaction of business.

22 (6) The board shall meet at times and places specified by the call of the chairperson or of a
23 majority of the members of the board.

24 (7) Appointments of members to the board by the Governor are subject to confirmation by the
25 Senate in the manner prescribed in ORS 171.562 and 171.565.

26 **SECTION 72.** ORS 243.878 is amended to read:

27 243.878. (1) The Oregon Educators Benefit Board may employ whatever means are reasonably
28 necessary to carry out the purposes of ORS 243.860 to 243.886. This authority includes, but is not
29 limited to, authority to self-insure and to seek clarification, amendment, modification, suspension or
30 termination of any agreement or contract.

31 (2) Upon providing specific notice in writing to the carrier, the affected labor organization or
32 organizations, the districts, the Oregon [*Department of Administrative Services*] **Health Authority**
33 and the affected eligible employees, and after affording opportunity for a public hearing on the is-
34 sues that may be involved, the board may enter an order withdrawing approval of a benefit plan.
35 Thirty days after entry of the order, the board shall terminate all withholding authorizations of el-
36 igible employees and terminate all board-approved participation in the plan.

37 (3) The board by order may terminate the participation of a district in a benefit plan if, within
38 three months, the district fails to perform an action required by ORS 243.860 to 243.886 or by board
39 rule.

40 **SECTION 73.** ORS 292.051 is amended to read:

41 292.051. (1) Except as authority over contracts for health benefit plans described in ORS 243.135
42 is vested in the Public Employees' Benefit Board, upon receipt of the request in writing of an officer
43 or employee so to do, the state official authorized to disburse funds in payment of the salary or
44 wages of the officer or employee may deduct from the salary or wages of the officer or employee
45 an amount of money indicated in the request for payment of the applicable amount set forth in

1 benefit plans selected by the officers or employees or in their behalf for:

2 (a) Group life insurance, including life insurance for dependents of officers or employees.

3 (b) Group dental and related services and supplies, or any other remedial care recognized by
4 state law and related services and supplies, other than medical, surgical or hospital care, recognized
5 under state law, including such insurance for dependents of state officers or employees.

6 (c) Group indemnity insurance for accidental death and dismemberment and for loss of income
7 due to accident, sickness or other disability, including such insurance for dependents of state offi-
8 cers or employees.

9 (d) Automobile casualty insurance under a monthly payroll deduction program endorsed or of-
10 fered by an employee organization representing 500 or more state employees. Membership in the
11 employee organization is not a requirement for participation in this program.

12 (e) Legal insurance under a monthly payroll deduction program endorsed or offered by an em-
13 ployee organization representing 500 or more state employees.

14 (f) Self-insurance programs that are approved and provided by the Public Employees' Benefit
15 Board.

16 (2) The Oregon [*Department of Administrative Services*] **Health Authority** may establish and
17 collect a fee to cover costs of administering this section.

18 (3) No state official authorized to disburse funds in payment of salaries or wages is required to
19 make deductions as authorized by subsection (1) of this section for more than one benefit plan of the
20 type referred to in each of the paragraphs in subsection (1) of this section per eligible employee.

21 (4) Moneys deducted under subsection (1) of this section shall be paid over promptly:

22 (a) To the insurance companies, agencies or hospital associations, or persons responsible for
23 payment of premiums to the companies, agencies or associations, in accordance with the terms of
24 the contracts made by the officers or employees or in their behalf; or

25 (b) With respect to self-insurance benefits, in accordance with rules, procedures and directions
26 of the Public Employees' Benefit Board.

27 (5) As used in this section, "officer or employee" means all persons who receive salaries or
28 wages disbursed by any state official.

29 **SECTION 74.** ORS 343.243 is amended to read:

30 343.243. (1) Each school year, the Department of Education shall receive an amount, as calcu-
31 lated under this section, from the State School Fund to pay the costs of educating children in pro-
32 grams under ORS 343.261, 343.961 and 346.010.

33 (2) To meet the requirements of ORS 343.261, the department shall receive from the State School
34 Fund an amount that is equal to the product of the following:

35 (a) The average net operating expenditure per student of all school districts during the preced-
36 ing school year; and

37 (b) The number of slots available for students in the hospital programs under ORS 343.261, as
38 determined by the department for the school year.

39 (3) To meet the requirements of ORS 343.961, the department shall receive from the State School
40 Fund an amount that is equal to the product of the following:

41 (a) The average net operating expenditure per student of all school districts during the preced-
42 ing school year; and

43 (b) The number of slots available for students in long-term care and treatment programs under
44 ORS 343.961, as reported to the Department of Education by **the Oregon Health Authority**, the
45 Department of Human Services and the Oregon Youth Authority for the school year.

1 (4) To meet the requirements of ORS 346.010, the Department of Education shall receive from
2 the State School Fund an amount that is equal to the product of the following:

3 (a) The average net operating expenditure per student of all school districts during the preced-
4 ing school year; and

5 (b) The resident average daily membership of students enrolled in a program under ORS 346.010
6 for one-half of the school day or more, exclusive of preschool children covered by ORS 343.533.

7 (5) The children covered by this section shall be enumerated in the average daily membership
8 of the district providing the instruction but the district may not accrue credit for days' attendance
9 of such children for the purpose of distributing state school funds.

10 (6) The liability of a district shall not exceed the amount established under this section even if
11 the child is otherwise subject to ORS 336.575 and 336.580.

12 (7) The department shall credit amounts received from the State School Fund under this section
13 to the appropriate subaccount in the Special Education Account.

14 **SECTION 75.** ORS 343.507 is amended to read:

15 343.507. (1) Each contractor for early childhood special education and early intervention ser-
16 vices shall assist in the development of a local early intervention interagency advisory council in
17 every county within the contractor's service area.

18 (2) Each local early intervention interagency advisory council shall include as members at least
19 20 percent parents of preschool children with disabilities, 20 percent providers of early childhood
20 special education and early intervention services or other services to preschool children with disa-
21 bilities, a representative of the State Commission on Children and Families and representatives from
22 public and private agencies that serve young children and their families, including but not limited
23 to Head Start and Oregon prekindergartens, community child care, the Child Care Division of the
24 Employment Department, local school districts, education service districts, Department of Education
25 regional special education programs, community mental health *[and]* **programs, community** devel-
26 opmental disabilities programs, Department of Human Services health programs, child welfare pro-
27 grams and public assistance programs, Indian education agencies, migrant programs serving young
28 children and community colleges.

29 (3) Each local early intervention interagency advisory council shall select its own chairperson
30 and vice chairperson and fix the duties of its officers.

31 (4) The department shall establish procedures pursuant to rules of the State Board of Education
32 for seeking and considering local council advice regarding the selection of contractors, coordination
33 of services and procedures for local resolution of disputes.

34 **SECTION 76.** ORS 343.961 is amended to read:

35 343.961. (1) The Department of Education shall be responsible for payment of the cost of the
36 education in programs with which the Oregon Health Authority, **the Department of Human Ser-**
37 **vices** or **the** Oregon Youth Authority contracts for long-term care or treatment. Programs eligible
38 for such education shall be in accordance with criteria adopted by rule by the State Board of Edu-
39 cation.

40 (2) The Department of Education shall be responsible for payment of the costs of such education
41 by contract with the school district, excluding transportation, care, treatment and medical expenses.
42 The resident district shall provide transportation to pupils enrolled in programs under ORS 430.715
43 who live at home but require day treatment. The payments may be made to the school district or,
44 at the discretion of the school district, to the district providing the education, as set forth in sub-
45 section (3) of this section, from the funds appropriated for the purpose.

1 (3) The school district in which the agency is located is responsible for providing the education
 2 directly or through an adjacent school district or through the education service district in which
 3 the program is located or one contiguous thereto. The instruction may be given in facilities of such
 4 districts or in facilities provided by such agency.

5 (4) The school district may request the Department of Education to combine several private
 6 agency school programs into one contract with a school district, an adjacent school district or an
 7 education service district.

8 (5) The **Oregon Health Authority, the Department of Human Services or the Oregon Youth**
 9 **Authority** shall give the school district providing the education at a treatment program 14 days'
 10 notice before a student is dismissed from the treatment program.

11 (6) The Department of Education may make advances to such school district from funds appro-
 12 priated therefor based on the estimated agreed cost of educating the pupils per school year. Ad-
 13 vances equal to 25 percent of such estimated cost may be made on September 1, December 1 and
 14 March 1 of the current year. The balance may be paid whenever the full determination of cost is
 15 made.

16 (7) School districts which provide the education described in this section on a year-round plan
 17 may apply for 25 percent of the funds appropriated therefor on July 1, October 1, January 1, and
 18 15 percent on April 1. The balance may be paid whenever the full determination of cost is made.

19 (8) In addition to the payment methods described in this section, the Department of Education
 20 may:

21 (a) Negotiate interagency agreements to pay for the cost of education in treatment programs
 22 operated under the auspices of the State Board of Higher Education; and

23 (b) Negotiate intergovernmental agreements to pay for the cost of education in treatment pro-
 24 grams operated under the auspices of the Oregon Health and Science University Board of Directors.

25 **SECTION 77.** ORS 408.370 is amended to read:

26 408.370. [(1)] In addition to the other uses for the Oregon Housing Fund set forth in ORS 458.600
 27 to 458.665, financial support for an Oregon Veterans' Home is a permitted use of moneys from the
 28 Oregon Housing Fund.

29 [(2) *Notwithstanding ORS 442.315, 442.325 and 442.584, an Oregon Veterans' Home is not subject*
 30 *to any certificate of need requirement but is otherwise subject to the authority of the Health Resources*
 31 *Commission.*]

32 **SECTION 78.** ORS 409.010 is amended to read:

33 409.010. (1) The Department of Human Services is created.

34 (2) The department is responsible for the delivery and administration of programs and services
 35 relating to:

36 (a) Children and families, including but not limited to child protective services, foster care,
 37 residential care for children and adoption services;

38 (b) Elderly persons and persons with disabilities, including but not limited to social, health and
 39 protective services and promotion of hiring of otherwise qualified persons who are certifiably dis-
 40 abled;

41 (c) Persons who, as a result of the person's or the person's family's economic, social or health
 42 condition, require financial assistance or other social services;

43 (d) Developmental disabilities;

44 (e) Vocational rehabilitation for individuals with disabilities;

45 (f) Licensing and regulation of individuals, facilities, institutions and programs providing health

1 and human services and long term care services **administered by the department**, in accordance
 2 with the provisions of state and federal law; [and]

3 **(g) Services provided in long term care facilities, home-based and community-based care**
 4 **settings and residential facilities to individuals with physical disabilities or developmental**
 5 **disabilities or who receive residential facility care for seniors; and**

6 [(g)] **(h)** All other human service programs and functions delegated to the department by or in
 7 accordance with the provisions of state and federal law.

8 (3) The department shall be the recipient of all federal funds **except Medicaid funds that are**
 9 paid or to be paid to the state to enable the state to provide the programs and services assigned to
 10 the department.

11 (4)(a) All personnel of the department, including those engaged in the administration of voca-
 12 tional rehabilitation programs, public assistance programs and services to families or children in
 13 compliance with the federal Social Security laws, shall be subject to the merit system prescribed in
 14 the State Personnel Relations Law. For purposes of the State Personnel Relations Law, the depart-
 15 ment is the appointing authority of all employees in the department.

16 (b) The Director of Human Services, in conformity with the State Personnel Relations Law, may
 17 appoint and employ such personnel as may be necessary for the department, and may appoint and
 18 fix the compensation of all assistants and employees of the department.

19 (c) The director may authorize reimbursement of such expenses as are approved by the depart-
 20 ment and incurred by assistants and employees of the department, and by volunteers or other per-
 21 sons not employed by the department, in carrying out duties assigned or authorized by the
 22 department.

23 (5) The director may designate employees to be custodians of records within any of the organ-
 24 izational units of the department, and persons so designated shall have the duties and powers of
 25 custodians of public records as prescribed by law. Such designation shall be in writing and notice
 26 thereof shall be filed in the office of the Secretary of State, with the director and in the organiza-
 27 tional unit to which the authorization applies.

28 **SECTION 79.** ORS 409.161 is amended to read:

29 409.161. (1) The Department of Human Services shall report to all relevant committees of the
 30 Legislative Assembly at each regular session with respect to department employees in the classified
 31 service who directly provide:

- 32 (a) Child welfare services under ORS 418.005;
- 33 (b) Temporary assistance for needy families under ORS 412.006;
- 34 (c) Nutritional assistance under ORS 411.816;
- 35 (d) Medical assistance **eligibility determinations** under ORS 411.404;
- 36 (e) Services to elderly persons and to persons with disabilities under ORS 410.070 and 412.014;
- 37 and
- 38 (f) Vocational rehabilitation services under ORS 344.530.

39 (2) The report of the department under this section shall address each of the following:

- 40 (a) Workload increases or decreases over the current biennium.
- 41 (b) Workload efficiencies achieved during the current biennium.
- 42 (c) Notwithstanding ORS 291.371 (5), additional staffing needs or decreases in staffing needs that
 43 exist for the current biennium or that are projected for the next biennium, including a statement
 44 of the number of full-time equivalent positions that are vacant on the date the report is prepared
 45 or that can be double filled in order to meet any needs for additional staffing.

1 (3) As used in this section, “double filled” means that the department is using one budgeted
2 full-time equivalent position to employ more than one employee.

3 **SECTION 80.** ORS 409.162 is amended to read:

4 409.162. (1) The Department of Human Services shall collaborate with its existing advisory
5 groups to identify and implement workload efficiencies in the state agencies that administer pro-
6 grams providing:

- 7 (a) Child welfare services under ORS 418.005;
- 8 (b) Temporary assistance for needy families under ORS 412.006;
- 9 (c) Nutritional assistance under ORS 411.816;
- 10 (d) Medical assistance **eligibility determinations** under ORS 411.404;
- 11 (e) Services to elderly persons and to persons with disabilities under ORS 410.070 and 412.014;

12 and

- 13 (f) Vocational rehabilitation services under ORS 344.530.

14 (2) The department shall collaborate with the following advisory groups and other groups des-
15 ignated by the department in identifying and implementing workload efficiencies:

- 16 (a) The advisory committee created by ORS 418.005 (2).
- 17 (b) The Family Services Review Commission established under ORS 411.075.
- 18 (c) The State Independent Living Council established by Executive Order 94-12.
- 19 (d) The advisory committee established under ORS 344.735.
- 20 (e) Area agency advisory councils required under ORS 410.210.
- 21 (f) The Governor’s Commission on Senior Services created by ORS 410.320.

22 **SECTION 81.** ORS 410.040 is amended to read:

23 410.040. As used in ORS 409.010, 410.040 to 410.320, 411.159 and 441.630:

24 (1) “Appropriate living arrangement” means any arrangement for an elderly person or a person
25 with a disability in a residential setting which is appropriate for the person considering, in order
26 of priority, the following criteria:

- 27 (a) The desires and goals of the person;
- 28 (b) The right of the person to live as independently as possible, in the least restrictive envi-
29 ronment; and
- 30 (c) The cost of the living arrangement compared to other types of living arrangements, based
31 on the criteria in paragraphs (a) and (b) of this subsection.

32 (2) “Area agency” means:

- 33 (a) An established or proposed type A or type B Area Agency on Aging within a planning and
34 service area designated under Section 305 of the Older Americans Act; or
- 35 (b) Any public or nonprofit private agency which is designated as a type A or type B Area
36 Agency on Aging under Section 305 of the Older Americans Act.

37 (3) “Area agency board” means the local policy-making board which directs the actions of the
38 area agency within state and federal laws and regulations.

39 (4) “Department” means the Department of Human Services.

40 (5) “Elderly person” means a person who is served by a type A area agency or type B area
41 agency or by the department and who is 60 years of age or older.

42 (6) “Local government” means a political subdivision of the state whose authority is general or
43 a combination of units of general purpose local governments.

44 (7) “Person with a disability” means a person with a physical or mental disability:

- 45 (a) Who is eligible for Supplemental Security Income or for general assistance; and

1 (b) Who meets one of the following criteria:

2 (A) Has [*mental retardation or*] a developmental disability or is mentally or emotionally dis-
 3 turbed, and resides in or needs placement in a residential program administered by the department.

4 (B) Is an alcohol or drug abuser and resides in or needs placement in a residential program
 5 administered by the department.

6 (C) Has a physical or mental disability other than those described in subparagraphs (A) and (B)
 7 of this paragraph.

8 (8) "Preadmission screening" means a professional program within the department or type B
 9 area agencies, with staff that includes registered nurses and social workers, that assesses the needs
 10 of clients and recommends appropriate placements in residential programs administered by the de-
 11 partment or type B area agencies.

12 (9) "Protective services" means a service to be provided by the department directly or through
 13 type B area agencies, in response to the need for protection from harm or neglect to elderly persons
 14 and persons with disabilities.

15 (10) "Title XIX" means long term care and health services programs [*in*] **funded by** Title XIX
 16 of the Social Security Act available to elderly persons and persons with disabilities.

17 (11) "Type A area agency" means an area agency:

18 (a) For which either the local government or the area agency board does not agree to accept
 19 local administrative responsibility for Title XIX; and

20 (b) That provides a service to elderly persons.

21 (12) "Type B area agency" means an area agency:

22 (a) For which the local government agrees to accept local administrative responsibility for Title
 23 XIX;

24 (b) That provides a service to elderly persons or to elderly persons and persons with disabilities
 25 who require services similar to those required by elderly persons; and

26 (c) That uses the term "disabled services" or "disability services" in its title to communicate the
 27 fact that it provides services to both populations described in paragraph (b) of this subsection.

28 **SECTION 82.** ORS 410.075 is amended to read:

29 410.075. The Department of Human Services **or the Oregon Health Authority** may take title
 30 to real and personal property in performing its duties under ORS 411.630, 411.708, 411.795, 416.310
 31 and 416.350. Title shall be taken in the name of the department **or the authority**. The department
 32 **or the authority** may convey the property by deed or other appropriate conveyance under proce-
 33 dures adopted by rule of the department **or the authority**.

34 **SECTION 83.** ORS 410.080 is amended to read:

35 410.080. (1) The Department of Human Services is the designated single state agency for all
 36 federal programs under ORS 409.010, 410.040 to 410.320, 411.159 and 441.630 **that are administered**
 37 **by the department. The Oregon Health Authority is the single state agency responsible for**
 38 **supervising the administration of all programs funded by Title XIX or Title XXI of the Social**
 39 **Security Act as provided in ORS 413.032 (1)(j).**

40 (2) Except as provided in ORS 410.070 (2)(d) and 410.100, the administration of services to clients
 41 under ORS 409.010, 410.040 to 410.320, 411.159 and 441.630 shall be through area agencies, and shall
 42 comply with all applicable federal regulations.

43 **SECTION 84.** ORS 410.720 is amended to read:

44 410.720. (1) It is the policy of this state to provide mental health and addiction services for all
 45 Oregon senior citizens and persons with disabilities through a comprehensive and coordinated

1 statewide network of local mental health services and alcohol and drug abuse education and treat-
 2 ment. These services should involve family and friends and be provided in the least restrictive and
 3 most appropriate settings.

4 (2) The Department of Human Services **and the Oregon Health Authority** shall facilitate the
 5 formation of local community partnerships between the senior, disability, mental health, alcohol and
 6 drug abuse and health care communities by supporting the development of program approaches in-
 7 cluding, but not limited to:

8 (a) Mental health and addiction screenings and assessments in long term care settings;

9 (b) Outreach services to seniors and persons with disabilities in their homes, including
 10 gatekeeper programs, neighborhood programs and programs designed for rural communities;

11 (c) Multilingual and multicultural medical and psychiatric services for ethnic minorities with
 12 physical disabilities and hearing impairments;

13 (d) Education and training for health care consumers, health care professionals and mental
 14 health and addiction services providers on mental health and addiction issues, programs and ser-
 15 vices for seniors and persons with disabilities; and

16 (e) Education and consultation services for primary care physicians treating seniors and persons
 17 with disabilities.

18 (3) In carrying out the provisions of subsections (1) and (2) of this section, the department **and**
 19 **the authority** shall:

20 (a) Develop plans for service coordination within the department **and the authority**;

21 (b) Recommend budget provisions for the delivery of needed services offered by the department
 22 **and the authority**; and

23 (c) Develop plans for expanding mental health and addiction services for seniors and persons
 24 with disabilities to meet the increasing demand.

25 **SECTION 85.** ORS 411.010 is amended to read:

26 411.010. As used in this chapter and in other statutes providing for assistance and services to
 27 needy persons, unless the context or a specially applicable statutory definition requires otherwise:

28 [(1) "Department" means the Department of Human Services.]

29 [(2)] (1) "General assistance" means assistance or service of any character provided to needy
 30 persons not otherwise provided for to the extent of such need and the availability of funds, including
 31 medical, surgical and hospital or other remedial care.

32 [(3)] (2) "Public assistance" means [the following types of assistance]:

33 (a) Temporary assistance for needy families granted under ORS 412.001 to 412.069 and 418.647;

34 (b) General assistance granted under ORS 411.710 to 411.730;

35 (c) Medical assistance;

36 (d) Assistance provided by the Oregon Supplemental Income Program;

37 (e) General assistance other than general assistance granted under ORS 411.710 to 411.730; and

38 (f) Any other functions that may be delegated to the Director of Human Services by or in ac-
 39 cordance with federal and state laws.

40 **SECTION 86.** ORS 411.060 is amended to read:

41 411.060. Subject to ORS 417.300 and 417.305, the Department of Human Services shall[:]

42 [(1) Administer and supervise all public assistance programs;]

43 [(2) Determine eligibility for all public assistance programs; and]

44 [(3)] adopt and enforce rules necessary to ensure full compliance with federal and state laws
 45 relating to public assistance programs **administered by the department.**

1 **SECTION 87.** ORS 411.070 is amended to read:

2 411.070. (1) The **Oregon Health Authority shall adopt by rule statewide uniform standards**
3 **for medical assistance and the** Department of Human Services shall **adopt** by rule [*fix*] statewide
4 uniform standards for all **other** public assistance programs [*and*] **administered by the department.**
5 **The authority and the department shall** effect uniform observance [*thereof*] **of the rules**
6 throughout the state.

7 (2) In establishing **uniform** statewide standards for public assistance **under this section**, the
8 department, within the limits of available funds, shall:

9 [(1)] (a) Take into consideration all basic requirements for a standard of living compatible with
10 decency and health, including food, shelter, clothing, fuel, public utilities, telecommunications ser-
11 vice, medical care and other essential items and, upon the basis of investigations of the facts, shall
12 provide budgetary guides for determining minimum costs of meeting such requirements.

13 [(2)] (b) Develop standards for making payments and providing support services in the job op-
14 portunity and basic skills program described in ORS 412.006.

15 **SECTION 88.** (1) **As used in this section, “policy change” includes any change in the op-**
16 **eration of medical assistance programs that affects recipients adversely in any substantial**
17 **manner, including but not limited to the denial, reduction, modification or delay of benefits.**
18 **“Policy change” does not include any procedural change that affects internal management**
19 **but does not adversely and substantially affect the interest of public assistance recipients.**

20 (2) **The Oregon Health Authority may submit applications for waiver of federal statutory**
21 **or regulatory requirements to the federal government or any agency of the federal govern-**
22 **ment. Following the submission of any application for waiver that involves a policy change,**
23 **and prior to implementation, the authority shall do the following:**

24 (a) **Conduct a hearing in accordance with ORS chapter 183 regarding the application for**
25 **waiver or application for waiver renewals and the proposed rules;**

26 (b) **Prepare a complete summary of the testimony and written comments received at the**
27 **hearing;**

28 (c) **Submit the application for waiver or application for waiver renewals involving a policy**
29 **change to the legislative review agency, as described in ORS 291.375, and present the sum-**
30 **mary of testimony and comments described in this section; and**

31 (d) **Give notice of the date of the authority’s appearance before the Emergency Board or**
32 **the Joint Committee on Ways and Means in accordance with ORS 183.335, and before the**
33 **Medicaid Advisory Committee.**

34 **SECTION 89.** ORS 411.083 is amended to read:

35 411.083. (1) **The Oregon Health Authority may prescribe by rule that income and resources**
36 **may be disregarded** in the determination of eligibility and the amount of need with respect to a
37 recipient or applicant of public assistance under ORS 411.706 and ORS chapter 414, [*the Department*
38 *of Human Services may disregard such amounts of income and resources as are*] **if** required by federal
39 law or rules adopted pursuant thereto or [*as are*] **if** authorized by the Legislative Assembly including
40 the following:

41 (a) Any elderly rental assistance payments provided by ORS 310.635 or refunds in lieu of such
42 relief shall be disregarded in determining eligibility and need.

43 (b) Any increase in the amount of assistance that is authorized by section 4, Public Law 93-233
44 (87 Stat. 953) and which is also being paid on March 5, 1974, shall be disregarded in determining
45 eligibility and need.

1 **(2) The authority shall prescribe by rule that in the determination of eligibility and the**
 2 **amount of need with respect to a recipient or applicant of public assistance under ORS**
 3 **411.706 and ORS chapter 414:**

4 [(2)] (a) Any increase in the amount of assistance provided under Title XVI of the Social Secu-
 5 rity Act to meet changes in the cost of living that is an increase over that amount being paid on
 6 January 1, 1977, pursuant to an Act of Congress and which will first be paid after January 1, 1977,
 7 shall be disregarded *[in determining eligibility and need]*.

8 [(3)] (b) *[When considering an application for public assistance, the department shall exempt from*
 9 *consideration as a resource]* Up to \$10,000 equity value of any licensed and unlicensed vehicles
 10 owned by the applicant or recipient **is exempt from consideration as a resource.**

11 [(4)] (3) The *[department]* **authority** shall implement subsection [(3)] **(2)(b)** of this section state-
 12 wide to the extent possible that is consistent with federal regulation to maintain state eligibility for
 13 federal participation in public assistance programs. In the event the *[department]* **authority** deter-
 14 mines that this policy has a net fiscal cost to the state, the *[department]* **authority** shall present the
 15 fiscal analysis to the Emergency Board for additional funding or direction to modify or suspend the
 16 policy.

17 **SECTION 90.** ORS 411.300 is amended to read:

18 411.300. (1) The Department of Human Services shall *[make]* **adopt** and enforce *[reasonable rules*
 19 *and regulations]* **rules** governing the custody, use and preservation of the records, papers, files and
 20 communications of the department **in accordance with applicable privacy laws.** The use of *[such]*
 21 **the** records, papers, files and communications *[by any other agency or department of government or*
 22 *person to which they may be furnished shall be]* **is** limited to the purposes for which they are fur-
 23 nished and by the provisions of the law under which they may be furnished.

24 [(2) *No rules or regulations shall be made or administrative practice followed by the Department*
 25 *of Human Services pursuant to subsection (1) of this section that would interfere with the purposes of*
 26 *ORS 411.060, 411.078, 411.320 and 411.335.*]

27 **(2) The records, papers, files and communications of the department may be maintained**
 28 **in a single or combined data system accessible to the department and to the Oregon Health**
 29 **Authority for the administration of public assistance programs and for the coordination of**
 30 **functions shared by the department and the authority.**

31 **SECTION 91.** ORS 411.320 is amended to read:

32 411.320. (1) For the protection of applicants for and recipients of public assistance, except as
 33 otherwise provided in this section, the Department of Human Services *[shall]* **may** not disclose or
 34 use the contents of any public assistance records, files, papers or communications for purposes other
 35 than those directly connected with the administration of the public assistance *[laws of Oregon]*
 36 **programs** or *[as]* necessary to assist public assistance applicants and recipients in accessing and
 37 receiving other governmental or private nonprofit services, and these records, files, papers and
 38 communications are considered confidential subject to the rules *[and regulations]* of the department
 39 *[of Human Services]*. In any judicial or administrative proceeding, except proceedings directly con-
 40 nected with the administration of public assistance or child support enforcement laws, their contents
 41 are considered privileged communications.

42 (2) Nothing in this section prohibits the disclosure or use of contents of records, files, papers
 43 or communications for purposes directly connected with the establishment and enforcement of sup-
 44 port obligations pursuant to the Title IV-D program.

45 (3) Nothing in this section prohibits the disclosure of the address, Social Security number and

1 photograph of any applicant or recipient to a law enforcement [*official*] **officer** at the request of
 2 [*such official*] **the officer**. To receive information pursuant to this section, the officer must furnish
 3 the agency the name of the applicant or recipient and advise that the applicant or recipient:

- 4 (a) Is fleeing to avoid prosecution, custody or confinement after conviction for a felony;
- 5 (b) Is violating a condition of probation or parole; or
- 6 (c) Has information that is necessary for the officer to conduct the official duties of the officer
 7 and the location or apprehension of the applicant or recipient is within such official duties.

8 **(4) Nothing in this section prohibits disclosure of information between the department**
 9 **and the Oregon Health Authority for the purpose of providing to recipients of public assist-**
 10 **ance services administered by the department or the authority.**

11 **SECTION 92.** ORS 411.400, as amended by section 3, chapter 73, Oregon Laws 2010, is amended
 12 to read:

13 411.400. (1) Application for any category of aid shall also constitute application for medical as-
 14 sistance.

15 (2) Except as otherwise provided in this section, a person shall request medical assistance by
 16 filing an application as provided in ORS 411.081.

17 (3) The Department of Human Services shall determine eligibility for and fix the date on which
 18 medical assistance may begin, and shall obtain such other information required by the rules of the
 19 department **and the Oregon Health Authority under ORS 411.402.**

20 (4) If an applicant is unable to make application for medical assistance, an application may be
 21 made by someone acting responsibly for the applicant.

22 (5) The department may modify the application requirements in ORS 411.081 for a person whose
 23 basis of eligibility for medical assistance changes from one category of aid to another category of
 24 aid under ORS 414.025 (2).

25 **SECTION 93.** ORS 411.402, as amended by section 4, chapter 73, Oregon Laws 2010, is amended
 26 to read:

27 411.402. [*For each person applying for medical assistance, the Department of Human Services shall*
 28 *fully document:*]

29 **(1) The Department of Human Services and the Oregon Health Authority shall adopt by**
 30 **rule the documentation required from each person applying for medical assistance, including:**

31 **(a) The identity of the person;**

32 [(1)] **(b) The category of aid [as defined in ORS 414.025] that makes the person eligible for**
 33 **medical assistance or the way in which the person qualifies as categorically needy [as defined in**
 34 **ORS 414.025];**

35 [(2)] **(c) The status of the person as a resident of this state; and**

36 [(3)] **(d) Information concerning the income and resources of the person, including income**
 37 **tax return information and Social Security number, as necessary to establish financial**
 38 **eligibility[.] for medical assistance, premium tax credits and cost-sharing reductions.**

39 **(2) Information obtained by the department or the authority under this section may be**
 40 **exchanged with other state or federal agencies for the purpose of:**

41 **(a) Verifying eligibility for medical assistance, participation in the Oregon Health Insur-**
 42 **ance Exchange or other health benefit programs;**

43 **(b) Establishing the amount of any tax credit due to the person, cost-sharing reduction**
 44 **or premium assistance;**

45 **(c) Improving the provision of services; and**

(d) Administering health benefit programs.

SECTION 94. ORS 411.404 is amended to read:

411.404. (1) The Department of Human Services shall determine eligibility for medical assistance according to criteria prescribed by rule[, *taking into account*] **by the Oregon Health Authority that take into account:**

(a) The requirements and needs of the applicant and of the spouse and dependents of the applicant;

(b) The income, resources and maintenance available to the applicant; and

(c) The responsibility of the spouse of the applicant and, with respect to an applicant who is blind or is permanently and totally disabled or is under 21 years of age, the responsibility of the parents.

(2) Rules adopted by the [*department*] **authority** under subsection (1) of this section:

(a) Shall disregard resources for those who are eligible for medical assistance only by reason of ORS 414.025 (2)(s), except for the resources described in ORS 414.025 (2)(s).

(b) May disregard income and resources within the limits required or permitted by federal law, regulations or orders.

[(3)] (c) [*The department*] May not require any needy person over 65 years of age, as a condition of entering or remaining in a hospital, nursing home or other congregate care facility, to sell any real property normally used as [*such*] **the** person's home. [*Any rule of the department inconsistent with this section is to that extent invalid.*]

SECTION 95. ORS 411.408 is amended to read:

411.408. [*Any individual whose claim for medical assistance is denied or is not acted upon with reasonable promptness may petition the Department of Human Services for a fair hearing.*] **If the Oregon Health Authority or the Department of Human Services denies a claim for medical assistance or fails to act with reasonable promptness on a claim for medical assistance, the person making the claim may request a contested case hearing.** The hearing shall be held at a time and place and shall be conducted in accordance with [*the*] rules [*of*] **adopted by the authority or the department, as appropriate.**

SECTION 96. ORS 411.431 is amended to read:

411.431. (1) The [*Department of Human Services*] **Oregon Health Authority** shall adopt rules:

(a) Requiring recipients of medical assistance who are not otherwise exempt to pay monthly premium payments while receiving medical assistance; and

(b) Granting recipients of medical assistance under ORS 414.706 (5) who are required to pay monthly premium payments a grace period of up to six months for payment of overdue premiums.

(2) [*The department may not disenroll*] A recipient **may continue enrollment in medical assistance** during the grace period described in subsection (1)(b) of this section.

(3) A recipient or former recipient of medical assistance under ORS 414.706 (5) who did not pay one or more monthly premium payments while receiving medical assistance is not eligible [*to reapply*] for medical assistance under ORS 414.706 (5) until the recipient or former recipient has paid the amount of overdue premiums in full.

SECTION 97. ORS 411.432 is amended to read:

411.432. (1) As used in this section, "federal poverty guidelines" means the most recent poverty guidelines as published annually in the Federal Register by the United States Department of Health and Human Services.

(2) Notwithstanding ORS [*414.065*] **411.431**, the [*Department of Human Services*] **Oregon Health**

1 **Authority** shall adopt rules exempting recipients of medical assistance under ORS 414.706 (5) whose
 2 family income is no more than 10 percent of the federal poverty guidelines from the requirement to
 3 pay monthly premium payments.

4 **SECTION 98.** ORS 411.435 is amended to read:

5 411.435. The Oregon Health Authority **and the Department of Human Services** shall endeavor
 6 to develop agreements with local governments to facilitate the enrollment of [*poverty level*] medical
 7 assistance program clients. Subject to the availability of funds therefor, the agreement shall be
 8 structured to allow flexibility by the state and local governments and may allow any of the following
 9 options for enrolling clients in [*poverty level*] medical assistance programs:

10 (1) Initial processing shall be done at the county health department by employees of the county,
 11 with eligibility determination completed at the local office of the [*authority*] **Department of Human**
 12 **Services;**

13 (2) Initial processing and eligibility determination shall be done at the county health department
 14 by employees of the local health department; or

15 (3) Application forms shall be made available at the county health department with initial pro-
 16 cessing and eligibility determination shall be done at the local office of the [*authority*] **Department**
 17 **of Human Services.**

18 **SECTION 99.** ORS 411.439 is amended to read:

19 411.439. (1) As used in this section:

20 (a) “Person with a serious mental illness” means a person who is diagnosed by a psychiatrist,
 21 a licensed clinical psychologist or a certified nonmedical examiner as having dementia,
 22 schizophrenia, bipolar disorder, major depression or other affective disorder or psychotic mental
 23 disorder other than a disorder caused primarily by substance abuse.

24 (b) “Public institution” means:

25 (A) A state hospital as defined in ORS 162.135;

26 (B) A local correctional facility as defined in ORS 169.005;

27 (C) A Department of Corrections institution as defined in ORS 421.005; or

28 (D) A youth correction facility as defined in ORS 162.135.

29 (2) Except as provided in subsections (6) and (7) of this section, the Department of Human Ser-
 30 vices shall suspend the medical assistance of a person with a serious mental illness when:

31 (a) The person receives medical assistance because of a serious mental illness; and

32 (b) The person becomes an inmate residing in a public institution.

33 (3) The department shall continue to determine the eligibility of the person as categorically
 34 needy [*as defined in ORS 414.025*].

35 (4) Upon notification that a person described in subsection (2) of this section is no longer an
 36 inmate residing in a public institution, the department shall reinstate the person’s medical assistance
 37 if the person is otherwise eligible for medical assistance.

38 (5) This section does not extend eligibility to an otherwise ineligible person or extend medical
 39 assistance to a person if matching federal funds are not available to pay for medical assistance.

40 (6) Subsection (2) of this section does not apply to a person with a serious mental illness residing
 41 in a state hospital as defined in ORS 162.135 who is under 22 years of age or who is 65 years of age
 42 or older.

43 (7) A person with a serious mental illness may apply for medical assistance between 90 and 120
 44 days prior to the expected date of the person’s release from a public institution. If the person is
 45 found to be eligible, the effective date of the person’s medical assistance shall be the date of the

1 person's release from the institution.

2 **SECTION 100.** ORS 411.443 is amended to read:

3 411.443. (1) When a woman who is enrolled in medical assistance as a pregnant woman becomes
4 an inmate residing in a public institution, the Department of Human Services shall suspend medical
5 assistance.

6 (2) The department shall continue to determine the eligibility of the pregnant woman as
7 categorically needy [*as defined in ORS 414.025*].

8 (3) Upon notification that a pregnant woman described under subsection (1) of this section is
9 no longer an inmate residing in a public institution, the department shall reinstate medical assist-
10 ance if the woman is otherwise eligible for medical assistance.

11 **SECTION 101.** ORS 411.459 is amended to read:

12 411.459. The Oregon Health Authority **and the Department of Human Services** shall approve
13 or deny prior authorization requests for dental services not later than 30 days after submission
14 thereof by the provider, and shall make payments to providers of prior authorized dental services
15 not later than 30 days after receipt of the invoice of the provider.

16 **SECTION 102.** ORS 411.463 is amended to read:

17 411.463. When giving information concerning medical assistance, the [*Oregon Health Authority*]
18 **Department of Human Services** shall make available to applicants or recipients materials which
19 include at least a listing of all the healing arts licensed in this state.

20 **SECTION 103.** ORS 411.593 is amended to read:

21 411.593. (1) In connection with any public assistance investigation or hearing the Director of
22 Human Services, **the Director of the Oregon Health Authority** or any examiner, referee or other
23 officer duly appointed to conduct the investigation or hearing may by subpoena compel the attend-
24 ance and testimony of witnesses and the production of books, accounts, documents and other papers,
25 and may administer oaths, take depositions and fix the fees and mileage of witnesses.

26 (2) The Department of Human Services **and the authority** shall provide for defraying the ex-
27 penses of such investigations or hearings, which may be held in any part of the state.

28 **SECTION 104.** ORS 411.610 is amended to read:

29 411.610. Any check or warrant issued by the Department of Human Services **or the Oregon**
30 **Health Authority** to a recipient of public assistance who subsequently dies may be indorsed in the
31 name of the deceased by the surviving spouse or a next of kin in the order described in ORS 293.490
32 (3); and payment may be made and the proceeds used without any of the restrictions enumerated in
33 ORS 293.495 (1).

34 **SECTION 105.** ORS 411.620 is amended to read:

35 411.620. (1) The Department of Human Services **or the Oregon Health Authority** may prose-
36 cute a civil suit or action against any person who has obtained, for personal benefit or for the
37 benefit of any other person, any amount or type of general assistance or public assistance[, *as de-*
38 *defined in ORS 411.010,*] or has aided any other person to obtain such general assistance or public
39 assistance, in violation of any provision of ORS 411.630, or in violation of ORS 411.640. In such suit
40 or action the department **or the authority** may recover the amount or value of such general as-
41 sistance or public assistance so obtained in violation of ORS 411.630, or in violation of ORS 411.640,
42 with interest thereon, together with costs and disbursements incurred therein.

43 (2) Excepting as to bona fide purchasers for value, the department, the [*Oregon Health*] author-
44 ity, the conservator for the recipient or the personal representative of the estate of a deceased re-
45 cipient may prosecute a civil suit or action to set aside the transfer, gift or other disposition of any

1 money or property made in violation of any provisions of ORS 411.630, 411.708 and 416.350 and the
 2 department or the authority may recover out of such money or property, or otherwise, the amount
 3 or value of any general assistance or public assistance obtained as a result of such violation, with
 4 interest thereon, together with costs and disbursements incurred therein.

5 **SECTION 106.** ORS 411.630 is amended to read:

6 411.630. (1) [No] **A** person [shall] **may not** knowingly obtain or attempt to obtain, for the benefit
 7 of the person or of [any other] **another** person, any public assistance[, as defined in ORS 411.010,]
 8 to which the person or [such] other person is not entitled under state law by means of:

9 (a) Any false representation or fraudulent device, or

10 (b) Failure to immediately notify the Department of Human Services **or the Oregon Health**
 11 **Authority, as appropriate**, of the receipt or possession of property or income, or of any other
 12 change of circumstances, which directly affects the eligibility for, or the amount of, [such] **the** as-
 13 sistance.

14 (2) [No] **A** person [shall] **may not** transfer, conceal or dispose of any money or property with
 15 the intent:

16 (a) To enable the person to meet or appear to meet any requirement of eligibility prescribed by
 17 state law or by rule [or regulation promulgated by] **of** the department [for a grant or an increase in
 18 a grant of] **or the authority for** any type of general assistance or public assistance[, as defined in
 19 ORS 411.010]; or

20 (b) Except as to a conveyance by [such] **the** person to create a tenancy by the entirety, to
 21 hinder or prevent the department **or the authority** from recovering any part of any claim [which]
 22 it may have against the person or the estate of the person.

23 (3) [No] **A** person [shall] **may not** knowingly aid or abet any person to violate any provision of
 24 this section.

25 (4) [No] **A** person [shall] **may not** receive, possess or conceal any money or property of an ap-
 26 plicant for or recipient of any type of general assistance or public assistance[, as defined in ORS
 27 411.010,] with the intent to enable [such] **the** applicant or recipient to meet or appear to meet any
 28 requirement of eligibility referred to in subsection (2)(a) of this section or, except as to a conveyance
 29 by [such] **the** applicant or recipient to create a tenancy by the entirety, with the intent to hinder
 30 or prevent the department **or the authority** from recovering any part of any claim [which] it may
 31 have against [such] **the** applicant or recipient or the estate of the applicant or recipient.

32 **SECTION 107.** ORS 411.632 is amended to read:

33 411.632. If it reasonably appears that a [customer who is a] recipient of public assistance has
 34 assets in excess of those allowed to a recipient of such assistance under applicable federal and state
 35 statutes, **rules** and regulations, and it reasonably appears that such assets may be transferred, re-
 36 moved, secreted or otherwise disposed, then the Department of Human Services **or the Oregon**
 37 **Health Authority** may seek appropriate relief under ORCP 83 and 84[,] or any other provision of
 38 law, but only to the extent of the liability. The state shall not be required to post a bond in seeking
 39 the relief.

40 **SECTION 108.** ORS 411.635 is amended to read:

41 411.635. Public assistance improperly disbursed as a result of recipient conduct that is not in
 42 violation of ORS 411.630 may be recouped pursuant to ORS 293.250 or from earnings that the state
 43 disregards pursuant to ORS 411.083 and 412.009 as follows:

44 (1) The Department of Human Services **or the Oregon Health Authority** shall notify the re-
 45 cipient that the recipient may elect to limit the recoupment monthly to an amount equal to one-half

1 the amount of disregarded earnings by granting the department **or the authority** a confession of
2 judgment for the amount of the overpayment.

3 (2) If the recipient does not elect to grant the confession of judgment within 30 days the de-
4 partment **or the authority** may recoup the overpayment from the entire amount of disregarded
5 earnings. The recipient may at any time thereafter elect to limit the monthly recoupment to one-half
6 the disregarded earnings by *[granting the department]* **entering into** a confession of judgment.

7 (3) The department **or the authority** shall not execute on a confession of judgment until the
8 recipient is no longer receiving public assistance and has either refused to agree to or has defaulted
9 on a reasonable plan to satisfy the judgment.

10 (4) *[Nothing in this section limits the authority of the department by rule to exempt]* **This section**
11 **does not prohibit the department or the authority from adopting rules to exempt** from
12 recoupment any portion of disregarded earnings.

13 **SECTION 109.** ORS 411.640 is amended to read:

14 411.640. A person has received an overpayment of public assistance, for purposes of ORS 411.703,
15 if the person has:

16 (1) Received, either for the benefit of the person or for the benefit of any other person, any
17 amount or type of general assistance or public assistance, *as defined in ORS 411.010,* to which the
18 person or *[such]* **the** other person is not entitled under state law;

19 (2) Spent lawfully received public assistance that was designated by the Department of Human
20 Services **or the Oregon Health Authority** for a specific purpose on an expense not approved by
21 the department **or the authority** and not considered a basic requirement under *[standards adopted*
22 *by the department pursuant to]* ORS 411.070 **(2)(a)**;

23 (3) Misappropriated public assistance by cashing and retaining the proceeds of a check on which
24 the person is not the payee and the check has not been lawfully *[endorsed]* **indorsed** or assigned to
25 the person; or

26 (4) Failed to reimburse the department **or the authority**, when required by law, for public as-
27 sistance furnished for a need for which the person is compensated by another source.

28 **SECTION 110.** ORS 411.670 is amended to read:

29 411.670. As used in this section and ORS **411.640**, 411.675 and 411.690:

30 (1) "Claims for payment" includes bills, invoices, electronic transmissions and any other docu-
31 ment requesting money in compensation for or reimbursement of needs which have been furnished
32 to any public assistance recipient.

33 (2) "Need" means any type of care, service, commodity, shelter or living requirement.

34 (3) "Person" includes individuals, corporations, associations, firms, partnerships, governmental
35 subdivisions and agencies and public and private organizations of any character.

36 **SECTION 111.** ORS 411.675 is amended to read:

37 411.675. *[No]* **A** person *[shall]* **may not** obtain or attempt to obtain, for personal benefit or the
38 benefit of *[any other]* **another** person, *[any]* **a** payment for furnishing any need to or for the benefit
39 of *[any]* **a** public assistance recipient by knowingly:

40 (1) Submitting or causing to be submitted to the Department of Human Services **or the Oregon**
41 **Health Authority** **a** *[any]* false claim for payment;

42 (2) Submitting or causing to be submitted to the department **or the authority** **a** *[any]* claim for
43 payment *[which]* **that already** has been submitted for payment *[already unless such]* **unless the**
44 claim is clearly labeled as a duplicate;

45 (3) Submitting or causing to be submitted to the department **or the authority** **a** *[any]* claim for

1 payment *[which]* **that** is a claim *[upon which payment has been made by the department or any*
 2 *other]* **that already has been paid by any** source unless clearly labeled as *[such]* **already paid**; or

3 (4) Accepting *[any]* a payment from the department *[for furnishing any need if the need upon*
 4 *which the payment is based has]* **or the authority for the costs of items or services that have**
 5 not been provided **to or for the benefit of a public assistance recipient.**

6 **SECTION 112.** ORS 411.690 is amended to read:

7 411.690. (1) *[Any]* A person who accepts from the Department of Human Services *[any payment*
 8 *made to such person]* **or the Oregon Health Authority a payment** for furnishing any need to or
 9 for the benefit of a public assistance recipient *[shall be]* **is** liable to refund or credit the amount of
 10 *[such]* **the** payment to the department **or the authority** if *[such]* **the** person has obtained or subse-
 11 quently obtains from the recipient or from any source any additional payment *[received]* for fur-
 12 nishing the same need *[to or for the benefit of such recipient]*. However, the liability of *[such]* **the**
 13 person *[shall be]* **is** limited to the lesser of the following amounts:

14 (a) The amount of the payment *[so]* accepted from the department **or the authority**; or

15 (b) The amount by which the aggregate sum of all payments *[so]* accepted *[or received by such]*
 16 **by the** person exceeds the maximum amount payable for *[such]* **the** need *[from public assistance*
 17 *funds]* under rules adopted by the department **or the authority.**

18 (2) Notwithstanding subsection (1) of this section, *[any]* a person who, after having been afforded
 19 an opportunity for a *[hearing pursuant to the portions of ORS chapter 183 relating to a contested*
 20 *case]* **contested case hearing pursuant to ORS chapter 183**, is found to *[violate]* **have violated**
 21 ORS 411.675 *[shall be]* **is** liable to the department **or the authority** for treble the amount of the
 22 payment received as a result of *[such]* **the** violation.

23 (3) The department **and the authority** may prosecute civil actions to recover moneys claimed
 24 due under this section and for costs and disbursements incurred in such actions.

25 **SECTION 113.** ORS 411.694 is amended to read:

26 411.694. (1) When an individual receives public assistance as defined in ORS 411.010 and the
 27 individual is the holder of record title to real property or the purchaser under a land sale contract,
 28 the Department of Human Services **or the Oregon Health Authority** may present to the county
 29 clerk for recordation in the deed and mortgage records of a county a request for notice of transfer
 30 or encumbrance of the real property.

31 (2) A title insurance company or agent shall provide the *[department]* **state agency that filed**
 32 **the request** with a notice of transfer or encumbrance as required by ORS 93.268.

33 (3) If the department *[has caused]* **or the authority has filed** a request for notice of transfer
 34 or encumbrance *[to be recorded]* **for recording** in the deed and mortgage records, the department
 35 **or the authority** shall *[present to the county clerk for recordation]* **file with the county clerk** a
 36 termination of request for notice of transfer or encumbrance when $[\textit{, in the judgment of the depart-}$
 37 $\textit{ment,}]$ it is no longer necessary or appropriate *[for the department]* to monitor transfers or
 38 encumbrances related to the real property.

39 (4) The department shall adopt by rule a form of the request for notice of transfer or
 40 encumbrance, the notice of transfer or encumbrance and the termination of request for notice of
 41 transfer or encumbrance that, at a minimum:

42 (a) Contains the name of the public assistance recipient, a *[departmental]* case identifier or other
 43 appropriate information that links the individual who is the holder of record title to real property
 44 or the purchaser under a land sale contract to the individual's public assistance records;

45 (b) Contains the legal description of the real property;

1 (c) Contains a mailing address for the department **or the authority** to receive the notice of
2 transfer or encumbrance; and

3 (d) Complies with the requirements for recordation in ORS 205.232 and 205.234 for those forms
4 intended to be recorded.

5 **(5) The authority shall use the forms adopted by the department under subsection (4) of**
6 **this section and may designate the department to receive, on behalf of the authority, a notice**
7 **of transfer or encumbrance provided in accordance with subsection (2) of this section.**

8 [(5)] (6) The department **or the authority** shall pay the recordation fee required by the county
9 clerk under ORS 205.320.

10 [(6)] (7) The request for notice of transfer or encumbrance described in this section does not
11 affect title to real property and is not a lien on, encumbrance of or other interest in the real prop-
12 erty.

13 **SECTION 114.** ORS 411.703 is amended to read:

14 411.703. (1) If an overpayment of public assistance, including supplemental nutrition assistance
15 **issued under ORS 411.806 to 411.845**, is not repaid within 30 days of the payment due date, after
16 an individual has been afforded an opportunity for a contested case hearing under ORS chapter 183
17 relating to the overpayment of public assistance, [*including supplemental nutrition assistance issued*
18 *under ORS 411.806 to 411.845,*] the Department of Human Services **or the Oregon Health Author-**
19 **ity** may:

20 (a) Issue a warrant that meets the requirements of ORS 205.125 for the overpayment; and

21 (b) Present a warrant issued under this section for recordation in the County Clerk Lien Record
22 of the county clerk of any county in the state.

23 (2) The warrant must include the principal amount of the overpayment, interest accumulated
24 pursuant to ORS 82.010 or other applicable law, costs associated with recording, indexing and
25 serving the warrant and costs associated with an instrument evidencing satisfaction or release of
26 the warrant.

27 (3) The department **or the authority** shall mail a copy of the warrant to the debtor at the last
28 known address of the debtor.

29 (4) Upon receipt of the warrant for recordation, the county clerk shall record the warrant in the
30 manner provided in ORS 205.125.

31 (5) Upon issuance of the warrant, the department **or the authority** may issue a notice of
32 garnishment in accordance with ORS 18.854.

33 (6) Upon recording, the warrant:

34 (a) Has the effect described in ORS 205.125 and 205.126; and

35 (b) May be enforced as provided in ORS 18.854 and 205.126.

36 **SECTION 115.** ORS 413.011 is amended to read:

37 413.011. (1) The duties of the Oregon Health Policy Board are to:

38 (a) Be the policy-making and oversight body for the Oregon Health Authority established in ORS
39 413.032 and all of the authority's departmental divisions, including the Oregon Health Insurance
40 Exchange described in section 17, chapter 595, Oregon Laws 2009.

41 (b) Develop and submit a plan to the Legislative Assembly by December 31, 2010, to provide and
42 fund access to affordable, quality health care for all Oregonians by 2015.

43 (c) Develop a program to provide health insurance premium assistance to all low and moderate
44 income individuals who are legal residents of Oregon.

45 (d) Establish and continuously refine uniform, statewide health care quality standards for use

1 by all purchasers of health care, third-party payers and health care providers as quality performance
2 benchmarks.

3 (e) Establish evidence-based clinical standards and practice guidelines that may be used by
4 providers.

5 (f) Approve and monitor community-centered health initiatives described in ORS 413.032 [(1)(g)]
6 (1)(i) that are consistent with public health goals, strategies, programs and performance standards
7 adopted by the Oregon Health Policy Board to improve the health of all Oregonians, and shall reg-
8 ularly report to the Legislative Assembly on the accomplishments and needed changes to the initi-
9 atives.

10 (g) Establish cost containment mechanisms to reduce health care costs.

11 (h) Ensure that Oregon's health care workforce is sufficient in numbers and training to meet the
12 demand that will be created by the expansion in health coverage, health care system transforma-
13 tions, an increasingly diverse population and an aging workforce.

14 (i) Work with the Oregon congressional delegation to advance the adoption of changes in federal
15 law or policy to promote Oregon's comprehensive health reform plan.

16 (j) Establish a health benefit package in accordance with ORS 413.064 to be used as the baseline
17 for all health benefit plans offered through the Oregon Health Insurance Exchange.

18 (k) Develop and submit a plan to the Legislative Assembly by December 31, 2010, with recom-
19 mended policies and procedures for the Oregon Health Insurance Exchange developed in accordance
20 with section 17, chapter 595, Oregon Laws 2009.

21 (L) Develop and submit a plan to the Legislative Assembly by December 31, 2010, with recom-
22 mendations for the development of a publicly owned health benefit plan that operates in the ex-
23 change under the same rules and regulations as all health insurance plans offered through the
24 exchange, including fully allocated fixed and variable operating and capital costs.

25 (m) By December 31, 2010, investigate and report to the Legislative Assembly, and annually
26 thereafter, on the feasibility and advisability of future changes to the health insurance market in
27 Oregon, including but not limited to the following:

28 (A) A requirement for every resident to have health insurance coverage.

29 (B) A payroll tax as a means to encourage employers to continue providing health insurance to
30 their employees.

31 (C) Expansion of the exchange to include a program of premium assistance and to advance re-
32 forms of the insurance market.

33 (D) The implementation of a system of interoperable electronic health records utilized by all
34 health care providers in this state.

35 (n) Meet cost-containment goals by structuring reimbursement rates to reward comprehensive
36 management of diseases, quality outcomes and the efficient use of resources by promoting cost-
37 effective procedures, services and programs including, without limitation, preventive health, dental
38 and primary care services, web-based office visits, telephone consultations and telemedicine consul-
39 tations.

40 (o) Oversee the expenditure of moneys from the Health Care Workforce Strategic Fund to sup-
41 port grants to primary care providers and rural health practitioners, to increase the number of pri-
42 mary care educators and to support efforts to create and develop career ladder opportunities.

43 (p) Work with the Public Health Benefit Purchasers Committee, administrators of the medical
44 assistance program and the Department of Corrections to identify uniform contracting standards for
45 health benefit plans that achieve maximum quality and cost outcomes and align the contracting

1 standards for all state programs to the greatest extent practicable.

2 (2) The Oregon Health Policy Board is authorized to:

3 (a) Subject to the approval of the Governor, organize and reorganize the authority as the board
4 considers necessary to properly conduct the work of the authority.

5 (b) Submit directly to the Legislative Counsel, no later than October 1 of each even-numbered
6 year, requests for measures necessary to provide statutory authorization to carry out any of the
7 board's duties or to implement any of the board's recommendations. The measures may be filed prior
8 to the beginning of the legislative session in accordance with the rules of the House of Represen-
9 tatives and the Senate.

10 (3) If the board or the authority is unable to perform, in whole or in part, any of the duties
11 described in ORS 413.006 to 413.064 without federal approval, the board is authorized to request, **in**
12 **accordance with section 88 of this 2011 Act**, waivers or other approval necessary to perform
13 those duties. The board shall implement any portions of those duties not requiring legislative au-
14 thority or federal approval, to the extent practicable.

15 (4) The enumeration of duties, functions and powers in this section is not intended to be exclu-
16 sive nor to limit the duties, functions and powers imposed on the board by ORS 413.006 to 413.064
17 and by other statutes.

18 (5) The board shall consult with the Department of Consumer and Business Services in com-
19 pleting the tasks set forth in subsection (1)(j), (k) and (m)(A) and (C) of this section.

20 **SECTION 116.** ORS 413.032 is amended to read:

21 413.032. (1) The Oregon Health Authority is established. The authority shall:

22 (a) Carry out policies adopted by the Oregon Health Policy Board;

23 (b) Develop a plan for the Oregon Health Insurance Exchange in accordance with section 17,
24 chapter 595, Oregon Laws 2009;

25 (c) Administer the Oregon Prescription Drug Program;

26 (d) Administer the Family Health Insurance Assistance Program;

27 **(e) Develop the policies for and the provision of publicly funded medical care and medical**
28 **assistance in this state;**

29 **(f) Develop the policies for and the provision of mental health treatment and treatment**
30 **for substance use disorders;**

31 **(g) Ensure the promotion and protection of public health and the licensing of health care**
32 **facilities;**

33 [(e)] **(h)** Provide regular reports to the board with respect to the performance of health services
34 contractors serving recipients of medical assistance, including reports of trends in health services
35 and enrollee satisfaction;

36 [(f)] **(i)** Guide and support, with the authorization of the board, community-centered health ini-
37 tiatives designed to address critical risk factors, especially those that contribute to chronic disease;

38 [(g)] **(j)** Be the state Medicaid agency for the administration of funds from Titles XIX and XXI
39 of the Social Security Act and administer medical assistance under ORS chapter 414;

40 [(h)] **(k)** In consultation with the Director of the Department of Consumer and Business Services,
41 periodically review and recommend standards and methodologies to the Legislative Assembly for:

42 (A) Review of administrative expenses of health insurers;

43 (B) Approval of rates; and

44 (C) Enforcement of rating rules adopted by the Department of Consumer and Business Services;

45 [(i)] **(L)** Structure reimbursement rates for providers that serve recipients of medical assistance

1 to reward comprehensive management of diseases, quality outcomes and the efficient use of re-
 2 sources and to promote cost-effective procedures, services and programs including, without limita-
 3 tion, preventive health, dental and primary care services, web-based office visits, telephone
 4 consultations and telemedicine consultations;

5 [(j)] (m) Guide and support community three-share agreements in which an employer, state or
 6 local government and an individual all contribute a portion of a premium for a community-centered
 7 health initiative or for insurance coverage; and

8 [(k)] (n) Develop, in consultation with the Department of Consumer and Business Services and
 9 the Health Insurance Reform Advisory Committee, one or more products designed to provide more
 10 affordable options for the small group market.

11 (2) The Oregon Health Authority is authorized to:

12 (a) Create an all-claims, all-payer database to collect health care data and monitor and evaluate
 13 health care reform in Oregon and to provide comparative cost and quality information to consumers,
 14 providers and purchasers of health care about Oregon's health care systems and health plan net-
 15 works in order to provide comparative information to consumers.

16 (b) Develop uniform contracting standards for the purchase of health care, including the fol-
 17 lowing:

18 (A) Uniform quality standards and performance measures;

19 (B) Evidence-based guidelines for major chronic disease management and health care services
 20 with unexplained variations in frequency or cost;

21 (C) Evidence-based effectiveness guidelines for select new technologies and medical equipment;
 22 and

23 (D) A statewide drug formulary that may be used by publicly funded health benefit plans.

24 (c) Submit directly to the Legislative Counsel, no later than October 1 of each even-numbered
 25 year, requests for measures necessary to provide statutory authorization to carry out any of the
 26 authority's duties or to implement any of the board's recommendations. The measures may be filed
 27 prior to the beginning of the legislative session in accordance with the rules of the House of Rep-
 28 resentatives and the Senate.

29 (3) The enumeration of duties, functions and powers in this section is not intended to be exclu-
 30 sive nor to limit the duties, functions and powers imposed on or vested in the Oregon Health Au-
 31 thority by ORS 413.006 to 413.064 or by other statutes.

32 **SECTION 117.** ORS 413.064 is amended to read:

33 413.064. The Oregon Health Authority, in developing and offering the health benefit package
 34 required by ORS 413.011 (1)(j), may not establish policies or procedures that discourage insurers
 35 from offering more comprehensive health benefit plans that provide greater consumer choice at a
 36 higher cost. The health benefit package approved by the Oregon Health Policy Board shall:

37 (1) Promote the provision of services through an integrated health home model that reduces
 38 unnecessary hospitalizations and emergency department visits.

39 (2) Require little or no cost sharing for evidence-based preventive care and services, such as
 40 care and services that have been shown to prevent acute exacerbations of disease symptoms in in-
 41 dividuals with chronic illnesses.

42 (3) Create incentives for individuals to actively participate in their own health care and to
 43 maintain or improve their health status.

44 (4) Require a greater contribution by an enrollee to the cost of elective or discretionary health
 45 services.

1 (5) Include a defined set of health care services that are affordable, financially sustainable and
 2 based upon the prioritized list of health services developed and updated by the Health [Services]
 3 **Evidence Review** Commission under [ORS 414.720] **section 24 of this 2011 Act.**

4 **SECTION 118.** ORS 414.025, as amended by section 1, chapter 73, Oregon Laws 2010, is
 5 amended to read:

6 414.025. As used in **ORS chapter 411 and** this chapter, unless the context or a specially appli-
 7 cable statutory definition requires otherwise:

8 (1) "Category of aid" means assistance provided by the Oregon Supplemental Income Program,
 9 aid granted under ORS 412.001 to 412.069 and 418.647 or federal Supplemental Security Income
 10 payments.

11 (2) "Categorically needy" means, insofar as funds are available for the category, a person who
 12 is a resident of this state and who:

13 (a) Is receiving a category of aid.

14 (b) Would be eligible for a category of aid but is not receiving a category of aid.

15 (c) Is in a medical facility and, if the person left such facility, would be eligible for a category
 16 of aid.

17 (d) Is under the age of 21 years and would be a dependent child as defined in ORS 412.001 except
 18 for age and regular attendance in school or in a course of professional or technical training.

19 (e)(A) Is a caretaker relative, as defined in ORS 412.001, who cares for a child who would be a
 20 dependent child except for age and regular attendance in school or in a course of professional or
 21 technical training; or

22 (B) Is the spouse of the caretaker relative.

23 (f) Is under the age of 21 years and:

24 (A) Is in a foster family home or licensed child-caring agency or institution and is one for whom
 25 a public agency of this state is assuming financial responsibility, in whole or in part; or

26 (B) Is 18 years of age or older, is one for whom federal financial participation is available under
 27 Title XIX or XXI of the federal Social Security Act and who met the criteria in subparagraph (A)
 28 of this paragraph immediately prior to the person's 18th birthday.

29 (g) Is a spouse of an individual receiving a category of aid and who is living with the recipient
 30 of a category of aid, whose needs and income are taken into account in determining the cash needs
 31 of the recipient of a category of aid, and who is determined by the Department of Human Services
 32 to be essential to the well-being of the recipient of a category of aid.

33 (h) Is a caretaker relative as defined in ORS 412.001 who cares for a dependent child receiving
 34 aid granted under ORS 412.001 to 412.069 and 418.647 or is the spouse of the caretaker relative.

35 (i) Is under the age of 21 years, is in a youth care center and is one for whom a public agency
 36 of this state is assuming financial responsibility, in whole or in part.

37 (j) Is under the age of 21 years and is in an intermediate care facility which includes institutions
 38 for persons with [*mental retardation*] **developmental disabilities.**

39 (k) Is under the age of 22 years and is in a psychiatric hospital.

40 (L) Is under the age of 21 years and is in an independent living situation with all or part of the
 41 maintenance cost paid by the Department of Human Services.

42 (m) Is a member of a family that received aid in the preceding month under ORS 412.006 or
 43 412.014 and became ineligible for aid due to increased hours of or increased income from employ-
 44 ment. As long as the member of the family is employed, such families will continue to be eligible for
 45 medical assistance for a period of at least six calendar months beginning with the month in which

1 such family became ineligible for assistance due to increased hours of employment or increased
2 earnings.

3 (n) Is an adopted person under 21 years of age for whom a public agency is assuming financial
4 responsibility in whole or in part.

5 (o) Is an individual or is a member of a group who is required by federal law to be included in
6 the state's medical assistance program in order for that program to qualify for federal funds.

7 (p) Is an individual or member of a group who, subject to the rules of the [*department*] **Oregon**
8 **Health Authority**, may optionally be included in the state's medical assistance program under fed-
9 eral law and regulations concerning the availability of federal funds for the expenses of that indi-
10 vidual or group.

11 (q) Is a pregnant woman who would be eligible for aid granted under ORS 412.001 to 412.069 and
12 418.647, whether or not the woman is eligible for cash assistance.

13 (r) Except as otherwise provided in this section, is a pregnant woman or child for whom federal
14 financial participation is available under Title XIX or XXI of the federal Social Security Act.

15 (s) Is not otherwise categorically needy and is not eligible for care under Title XVIII of the
16 federal Social Security Act or is not a full-time student in a post-secondary education program as
17 defined by the [*Department of Human Services*] **authority** by rule, but whose family income is less
18 than the federal poverty level and whose family investments and savings equal less than the in-
19 vestments and savings limit established by the [*department*] **authority** by rule.

20 (t) Would be eligible for a category of aid but for the receipt of qualified long term care insur-
21 ance benefits under a policy or certificate issued on or after January 1, 2008. As used in this para-
22 graph, "qualified long term care insurance" means a policy or certificate of insurance as defined in
23 ORS 743.652 (6).

24 (u) Is eligible for the Health Care for All Oregon Children program established in ORS 414.231.

25 (3) "Income" has the meaning given that term in ORS 411.704.

26 (4) "Investments and savings" means cash, securities as defined in ORS 59.015, negotiable in-
27 struments as defined in ORS 73.0104 and such similar investments or savings as the [*Department of*
28 *Human Services*] **authority** may establish by rule that are available to the applicant or recipient to
29 contribute toward meeting the needs of the applicant or recipient.

30 (5) "Medical assistance" means so much of the following medical and remedial care and services
31 as may be prescribed by the [*Oregon Health*] authority according to the standards established pur-
32 suant to ORS [*413.032*] **414.065**, including payments made for services provided under an insurance
33 or other contractual arrangement and money paid directly to the recipient for the purchase of
34 medical care:

35 (a) Inpatient hospital services, other than services in an institution for mental diseases;

36 (b) Outpatient hospital services;

37 (c) Other laboratory and X-ray services;

38 (d) Skilled nursing facility services, other than services in an institution for mental diseases;

39 (e) Physicians' services, whether furnished in the office, the patient's home, a hospital, a skilled
40 nursing facility or elsewhere;

41 (f) Medical care, or any other type of remedial care recognized under state law, furnished by
42 licensed practitioners within the scope of their practice as defined by state law;

43 (g) Home health care services;

44 (h) Private duty nursing services;

45 (i) Clinic services;

- 1 (j) Dental services;
- 2 (k) Physical therapy and related services;
- 3 (L) Prescribed drugs, including those dispensed and administered as provided under ORS chapter
- 4 689;
- 5 (m) Dentures and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases
- 6 of the eye or by an optometrist, whichever the individual may select;
- 7 (n) Other diagnostic, screening, preventive and rehabilitative services;
- 8 (o) Inpatient hospital services, skilled nursing facility services and intermediate care facility
- 9 services for individuals 65 years of age or over in an institution for mental diseases;
- 10 (p) Any other medical care, and any other type of remedial care recognized under state law;
- 11 (q) Periodic screening and diagnosis of individuals under the age of 21 years to ascertain their
- 12 physical or mental impairments, and such health care, treatment and other measures to correct or
- 13 ameliorate impairments and chronic conditions discovered thereby;
- 14 (r) Inpatient hospital services for individuals under 22 years of age in an institution for mental
- 15 diseases; and
- 16 (s) Hospice services.

17 (6) "Medical assistance" includes any care or services for any individual who is a patient in a
 18 medical institution or any care or services for any individual who has attained 65 years of age or
 19 is under 22 years of age, and who is a patient in a private or public institution for mental diseases.
 20 "Medical assistance" includes "health services" as defined in ORS 414.705. "Medical assistance"
 21 does not include care or services for an inmate in a nonmedical public institution.

22 [(7) "*Medically needy*" means a person who is a resident of this state and who is considered eli-
 23 gible under federal law for medically needy assistance.]

24 [(8)] (7) "Resources" has the meaning given that term in ORS 411.704. For eligibility purposes,
 25 "resources" does not include charitable contributions raised by a community to assist with medical
 26 expenses.

27 **SECTION 119.** ORS 414.033 is amended to read:

28 414.033. The Oregon Health Authority may:

29 (1) Subject to the allotment system provided for in ORS 291.234 to 291.260, expend such sums
 30 as are required to be expended in this state to provide medical assistance. Expenditures for medical
 31 assistance include, but are not limited to, expenditures for deductions, cost sharing, enrollment fees,
 32 premiums or similar charges imposed with respect to hospital insurance benefits or supplementary
 33 health insurance benefits, as established by federal law.

34 (2) Enter into agreements with, join with or accept grants from, the federal government for co-
 35 operative research and demonstration projects for public welfare purposes, including, but not limited
 36 to, any project which determines the cost of providing medical assistance [*to the medically needy*]
 37 and evaluates service delivery systems.

38 **SECTION 120.** ORS 414.041 is amended to read:

39 414.041. (1) The [*Department of Human Services*] **Oregon Health Authority**, under the direction
 40 of the Oregon Health Policy Board and in collaboration with the [*Oregon Health Authority*] **De-**
 41 **partment of Human Services**, shall implement a streamlined and simple application process for the
 42 medical assistance and premium assistance programs administered by the Oregon Health Authority
 43 and the Office of Private Health Partnerships. The process shall include, but not be limited to:

- 44 (a) An online application that may be submitted via the Internet;
- 45 (b) Application forms that are readable at a sixth grade level and that request the minimum

1 amount of information necessary to begin processing the application; and

2 (c) Application assistance from qualified staff to aid individuals who have language, cognitive,
3 physical or geographic barriers to applying for medical assistance or premium assistance.

4 (2) In developing the simplified application forms, the department shall consult with persons not
5 employed by the department who have experience in serving vulnerable and hard-to-reach popu-
6 lations.

7 (3) The Oregon Health Authority shall facilitate outreach and enrollment efforts to connect eli-
8 gible individuals with all available publicly funded health programs, including but not limited to the
9 Family Health Insurance Assistance Program.

10 **SECTION 121.** ORS 414.065 is amended to read:

11 414.065. (1)(a) With respect to medical and remedial care and services to be provided in medical
12 assistance during any period, and within the limits of funds available therefor, the Oregon Health
13 Authority shall determine, subject to such revisions as it may make from time to time and with re-
14 spect to the "health services" defined in ORS 414.705, subject to legislative funding in response to
15 the report of the Health [Services] **Evidence Review** Commission and paragraph (b) of this sub-
16 section:

17 (A) The types and extent of medical and remedial care and services to be provided to each eli-
18 gible group of recipients of medical assistance.

19 (B) Standards to be observed in the provision of medical and remedial care and services.

20 (C) The number of days of medical and remedial care and services toward the cost of which
21 public assistance funds will be expended in the care of any person.

22 (D) Reasonable fees, charges and daily rates to which public assistance funds will be applied
23 toward meeting the costs of providing medical and remedial care and services to an applicant or
24 recipient.

25 (E) Reasonable fees for professional medical and dental services which may be based on usual
26 and customary fees in the locality for similar services.

27 (F) The amount and application of any copayment or other similar cost-sharing payment that the
28 authority may require a recipient to pay toward the cost of medical and remedial care or services.

29 (b) [*Notwithstanding ORS 414.720 (8),*] The authority shall adopt rules establishing timelines for
30 payment of health services under paragraph (a) of this subsection.

31 (2) The types and extent of medical and remedial care and services and the amounts to be paid
32 in meeting the costs thereof, as determined and fixed by the authority and within the limits of funds
33 available therefor, shall be the total available for medical assistance and payments for such medical
34 assistance shall be the total amounts from public assistance funds available to providers of medical
35 and remedial care and services in meeting the costs thereof.

36 (3) Except for payments under a cost-sharing plan, payments made by the authority for medical
37 assistance shall constitute payment in full for all medical and remedial care and services for which
38 such payments of medical assistance were made.

39 [*(4) Medical benefits, standards and limits established pursuant to subsection (1)(a)(A), (B) and (C)*
40 *of this section for the eligible medically needy, except for persons receiving assistance under ORS*
41 *411.706, may be less than but may not exceed medical benefits, standards and limits established for the*
42 *eligible categorically needy, except that, in the case of a research and demonstration project entered into*
43 *under ORS 411.135, medical benefits, standards and limits for the eligible medically needy may exceed*
44 *those established for specific eligible groups of the categorically needy.*]

45 **SECTION 122.** ORS 414.211 is amended to read:

1 414.211. (1) There is established a Medicaid Advisory Committee consisting of not more than 15
2 members appointed by the Governor.

3 (2) The committee shall be composed of:

4 (a) A physician licensed under ORS chapter 677;

5 (b) Two members of health care consumer groups that include Medicaid recipients;

6 (c) Two Medicaid recipients, one of whom shall be a person with a disability;

7 (d) The Director of the Oregon Health Authority or designee;

8 **(e) The Director of Human Services or designee;**

9 [(e)] **(f)** Health care providers;

10 [(f)] **(g)** Persons associated with health care organizations, including but not limited to managed
11 care plans under contract to the Medicaid program; and

12 [(g)] **(h)** Members of the general public.

13 (3) In making appointments, the Governor shall consult with appropriate professional and other
14 interested organizations. All members appointed to the committee shall be familiar with the medical
15 needs of low income persons.

16 (4) The term of office for each member shall be two years, but each member shall serve at the
17 pleasure of the Governor.

18 (5) Members of the committee shall receive no compensation for their services but, subject to
19 any applicable state law, shall be allowed actual and necessary travel expenses incurred in the
20 performance of their duties from the Oregon Health Authority Fund.

21 **SECTION 123.** ORS 414.221 is amended to read:

22 414.221. The Medicaid Advisory Committee shall advise the Administrator of the Office for
23 Oregon Health Policy and Research, [and] the Director of the Oregon Health Authority **and the**
24 **Director of Human Services** on:

25 (1) Medical care, including mental health and alcohol and drug treatment and remedial care to
26 be provided under ORS chapter 414; and

27 (2) The operation and administration of programs provided under ORS chapter 414.

28 **SECTION 124.** ORS 414.227 is amended to read:

29 414.227. (1) ORS 192.610 to 192.690 apply to any meeting of an advisory committee with the au-
30 thority to make decisions for, conduct policy research for or make recommendations to the Oregon
31 Health Authority, [or] the Oregon Health Policy Board **or the Department of Human Services**
32 on administration or policy related to the medical assistance program operated under this chapter.

33 (2) Subsection (1) of this section applies only to advisory committee meetings attended by two
34 or more advisory committee members who are not employed by a public body.

35 **SECTION 125.** ORS 414.231 is amended to read:

36 414.231. (1) As used in this section:

37 (a) "Child" means a person under 19 years of age.

38 (b) "Health benefit plan" has the meaning given that term in ORS 414.841.

39 (2) The Health Care for All Oregon Children program is established to make affordable, acces-
40 sible health care available to all of Oregon's children. The program is composed of:

41 (a) Medical assistance funded in whole or in part by Title XIX of the Social Security Act, by the
42 State Children's Health Insurance Program under Title XXI of the Social Security Act and by mon-
43 eys appropriated or allocated for that purpose by the Legislative Assembly; and

44 (b) A private health option administered by the Office of Private Health Partnerships under ORS
45 414.826.

1 (3) A child is eligible for the program if the child is lawfully present in this state and the income
 2 of the child's family is at or below 300 percent of the federal poverty guidelines. There is no asset
 3 limit to qualify for the program.

4 (4)(a) A child receiving medical assistance under the program is continuously eligible for a
 5 minimum period of 12 months.

6 (b) The Department of Human Services shall reenroll a child for successive 12-month periods of
 7 enrollment as long as the child is eligible for medical assistance on the date of reenrollment.

8 (c) The department may not require a new application as a condition of reenrollment under
 9 paragraph (b) of this subsection and must determine the person's eligibility for medical assistance
 10 using information and sources available to the department or documentation readily available to the
 11 person.

12 (5) Except for medical assistance funded by Title XIX of the Social Security Act, the
 13 [department] **Oregon Health Authority** may prescribe by rule a period of uninsurance prior to en-
 14 rollment in the program.

15 **SECTION 126.** ORS 414.312 is amended to read:

16 414.312. (1) As used in ORS 414.312 to 414.318:

17 (a) "Pharmacy benefit manager" means an entity that negotiates and executes contracts with
 18 pharmacies, manages preferred drug lists, negotiates rebates with prescription drug manufacturers
 19 and serves as an intermediary between the Oregon Prescription Drug Program, prescription drug
 20 manufacturers and pharmacies.

21 (b) "Prescription drug claims processor" means an entity that processes and pays prescription
 22 drug claims, adjudicates pharmacy claims, transmits prescription drug prices and claims data be-
 23 tween pharmacies and the Oregon Prescription Drug Program and processes related payments to
 24 pharmacies.

25 (c) "Program price" means the reimbursement rates and prescription drug prices established by
 26 the administrator of the Oregon Prescription Drug Program.

27 (2) The Oregon Prescription Drug Program is established in the Oregon Health Authority. The
 28 purpose of the program is to:

29 (a) Purchase prescription drugs, replenish prescription drugs dispensed or reimburse pharmacies
 30 for prescription drugs in order to receive discounted prices and rebates;

31 (b) Make prescription drugs available at the lowest possible cost to participants in the program
 32 as a means to promote health;

33 (c) Maintain a list of prescription drugs recommended as the most effective prescription drugs
 34 available at the best possible prices; and

35 (d) Promote health through the purchase and provision of discount prescription drugs and co-
 36 ordination of comprehensive prescription benefit services for eligible entities and members.

37 (3) The Director of the Oregon Health Authority shall appoint an administrator of the Oregon
 38 Prescription Drug Program. The administrator may:

39 (a) Negotiate price discounts and rebates on prescription drugs with prescription drug man-
 40 ufacturers or group purchasing organizations;

41 (b) Purchase prescription drugs on behalf of individuals and entities that participate in the
 42 program;

43 (c) Contract with a prescription drug claims processor to adjudicate pharmacy claims and
 44 transmit program prices to pharmacies;

45 (d) Determine program prices and reimburse or replenish pharmacies for prescription drugs

1 dispensed or transferred;

2 (e) Adopt and implement a preferred drug list for the program;

3 (f) Develop a system for allocating and distributing the operational costs of the program and any
4 rebates obtained to participants of the program; and

5 (g) Cooperate with other states or regional consortia in the bulk purchase of prescription drugs.

6 (4) The following individuals or entities may participate in the program:

7 (a) Public Employees' Benefit Board, Oregon Educators Benefit Board and Public Employees
8 Retirement System;

9 (b) Local governments as defined in ORS 174.116 and special government bodies as defined in
10 ORS 174.117 that directly or indirectly purchase prescription drugs;

11 (c) Oregon Health and Science University established under ORS 353.020;

12 (d) State agencies that directly or indirectly purchase prescription drugs, including agencies that
13 dispense prescription drugs directly to persons in state-operated facilities;

14 (e) Residents of this state who lack or are underinsured for prescription drug coverage;

15 (f) Private entities; and

16 (g) Labor organizations.

17 (5) The state agency that receives federal Medicaid funds and is responsible for implementing
18 the state's medical assistance program may not participate in the program.

19 (6) The administrator may establish different program prices for pharmacies in rural areas to
20 maintain statewide access to the program.

21 (7) The administrator may establish the terms and conditions for a pharmacy to enroll in the
22 program. A licensed pharmacy that is willing to accept the terms and conditions established by the
23 administrator may apply to enroll in the program.

24 (8) Except as provided in subsection [(10)] (9) of this section, the administrator may not:

25 (a) Contract with a pharmacy benefit manager;

26 (b) Establish a state-managed wholesale or retail drug distribution or dispensing system; or

27 (c) Require pharmacies to maintain or allocate separate inventories for prescription drugs dis-
28 pensed through the program.

29 (9) The administrator shall contract with one or more entities to perform any of the functions
30 of the program, including but not limited to:

31 (a) Contracting with a pharmacy benefit manager and directly or indirectly with such pharmacy
32 networks as the administrator considers necessary to maintain statewide access to the program.

33 (b) Negotiating with prescription drug manufacturers on behalf of the administrator.

34 (10) Notwithstanding subsection (4)(e) of this section, individuals who are eligible for Medicare
35 Part D prescription drug coverage may participate in the program.

36 (11) The program may contract with vendors as necessary to utilize discount purchasing pro-
37 grams, including but not limited to group purchasing organizations established to meet the criteria
38 of the Nonprofit Institutions Act, 15 U.S.C. 13c, or that are exempt under the Robinson-Patman Act,
39 15 U.S.C. 13.

40 **SECTION 127.** ORS 414.325, as amended by section 8, chapter 827, Oregon Laws 2009, is
41 amended to read:

42 414.325. (1) As used in this section:

43 (a) "Legend drug" means any drug requiring a prescription by a practitioner, as defined in ORS
44 689.005.

45 (b) "Mental health drug" means a type of legend drug defined by the Oregon Health Au-

1 **thority by rule that includes, but is not limited to:**

2 **(A) Therapeutic class 7 ataractics-tranquilizers; and**

3 **(B) Therapeutic class 11 psychostimulants-antidepressants.**

4 *[(b)] (c) "Urgent medical condition" means a medical condition that arises suddenly, is not life-*
 5 *threatening and requires prompt treatment to avoid the development of more serious medical prob-*
 6 *lems.*

7 *[(2) A licensed practitioner may prescribe such drugs under this chapter as the practitioner in the*
 8 *exercise of professional judgment considers appropriate for the diagnosis or treatment of the patient in*
 9 *the practitioner's care and within the scope of practice. Prescriptions shall be dispensed in the generic*
 10 *form pursuant to ORS 689.515 and pursuant to rules of the Oregon Health Authority unless the prac-*
 11 *titioner prescribes otherwise and an exception is granted by the authority.]*

12 *[(3) Except as provided in subsections (4) and (5) of this section, the authority shall place no limit*
 13 *on the type of legend drug that may be prescribed by a practitioner, but the authority shall pay only*
 14 *for drugs in the generic form unless an exception has been granted by the authority.]*

15 *[(4) Notwithstanding subsection (3) of this section, an exception must be applied for and granted*
 16 *before the authority is required to pay for minor tranquilizers and amphetamines and amphetamine*
 17 *derivatives, as defined by rule of the authority.]*

18 **(2) The authority shall reimburse the cost of a legend drug prescribed for a recipient of**
 19 **medical assistance only if the legend drug:**

20 **(a) Is on the drug list of the Practitioner-Managed Prescription Drug Plan adopted under**
 21 **ORS 414.334;**

22 **(b) Is in a therapeutic class of nonседating antihistamines and nasal inhalers, as defined**
 23 **by the authority by rule, and is prescribed by an allergist for the treatment of:**

24 **(A) Asthma;**

25 **(B) Sinusitis;**

26 **(C) Rhinitis; or**

27 **(D) Allergies; or**

28 **(c) Is prescribed and dispensed under this chapter by a licensed practitioner at a rural**
 29 **health clinic for an urgent medical condition and:**

30 **(A) There is no pharmacy within 15 miles of the clinic;**

31 **(B) The prescription is dispensed for a patient outside of the normal business hours of**
 32 **any pharmacy within 15 miles of the clinic; or**

33 **(C) No pharmacy within 15 miles of the clinic dispenses legend drugs under this chapter.**

34 **(3) The authority shall pay only for drugs in the generic form unless an exception has**
 35 **been granted by the authority through the prior authorization process adopted by the au-**
 36 **thority under subsection (4) of this section.**

37 **(4) Notwithstanding subsection (2) of this section, the authority shall provide re-**
 38 **imbursement for a legend drug that does not meet the criteria in subsection (2) of this sec-**
 39 **tion if:**

40 **(a) It is a mental health drug.**

41 **(b) The authority grants approval through a prior authorization process adopted by the**
 42 **authority by rule.**

43 **(c) The prescriber contacts the authority requesting prior authorization and the author-**
 44 **ity or its agent fails to respond to the telephone call or to a prescriber's request made by**
 45 **electronic mail within 24 hours.**

1 (d) After consultation with the authority or its agent, the prescriber, in the prescriber's
2 professional judgment, determines that the drug is medically appropriate.

3 (e) The original prescription was written prior to July 28, 2009, or the request is for a
4 refill of a prescription for:

5 (A) The treatment of seizures, cancer, HIV or AIDS; or

6 (B) An immunosuppressant.

7 (f) It is a drug in a class not evaluated for the Practitioner-Managed Prescription Drug
8 Plan adopted under ORS 414.334.

9 (5)(a) Notwithstanding subsections (1) to (4) of this section [and except as provided in paragraph
10 (b) of this subsection], the authority is authorized to:

11 [(A)] (a) Withhold payment for a legend drug when federal financial participation is not avail-
12 able; [and]

13 [(B)] (b) Require prior authorization of payment for drugs that the authority has determined
14 should be limited to those conditions generally recognized as appropriate by the medical
15 profession[.]; and

16 (c) Withhold payment for a legend drug that is not a funded health service on the prior-
17 itized list of health services established by the Health Evidence Review Commission under
18 section 24 of this 2011 Act.

19 [(b) The authority may not require prior authorization for therapeutic classes of nonsedating
20 antihistamines and nasal inhalers, as defined by rule by the authority, when prescribed by an allergist
21 for treatment of any of the following conditions, as described by the Health Services Commission on the
22 funded portion of its prioritized list of services:]

23 [(A) Asthma;]

24 [(B) Sinusitis;]

25 [(C) Rhinitis; or]

26 [(D) Allergies.]

27 [(6) The authority shall pay a rural health clinic for a legend drug prescribed and dispensed under
28 this chapter by a licensed practitioner at the rural health clinic for an urgent medical condition if:]

29 [(a) There is not a pharmacy within 15 miles of the clinic;]

30 [(b) The prescription is dispensed for a patient outside of the normal business hours of any phar-
31 macy within 15 miles of the clinic; or]

32 [(c) No pharmacy within 15 miles of the clinic dispenses legend drugs under this chapter.]

33 [(7)] (6) Notwithstanding ORS 414.334, the authority may conduct prospective drug utilization
34 review prior to payment for drugs for a patient whose prescription drug use exceeded 15 drugs in
35 the preceding six-month period.

36 [(8)] (7) Notwithstanding subsection (3) of this section, the authority may pay a pharmacy for a
37 particular brand name drug rather than the generic version of the drug after notifying the pharmacy
38 that the cost of the particular brand name drug, after receiving discounted prices and rebates, is
39 equal to or less than the cost of the generic version of the drug.

40 [(9)(a)] (8)(a) Within 180 days after the United States patent expires on an immunosuppressant
41 drug used in connection with an organ transplant, the authority shall determine whether the drug
42 is a narrow therapeutic index drug.

43 (b) As used in this subsection, "narrow therapeutic index drug" means a drug that has a narrow
44 range in blood concentrations between efficacy and toxicity and requires therapeutic drug concen-
45 tration or pharmacodynamic monitoring.

1 **(9)(a) Subject to the provisions of paragraph (d) of this subsection, the authority shall**
2 **contract with a pharmacy benefit manager to manage prescription drug benefits for the**
3 **medical assistance program. The pharmacy benefit manager shall purchase prescription**
4 **drugs in bulk or reimburse pharmacies for prescription drugs prescribed for eligible persons**
5 **in the medical assistance program.**

6 **(b) The pharmacy benefit manager shall establish two programs under this subsection.**
7 **One program shall purchase prescription drugs for fully capitated health plans or reimburse**
8 **fully capitated health plans that use the pharmacy benefit manager described in paragraph**
9 **(a) of this subsection. The second program shall reimburse fee-for-service pharmacy provid-**
10 **ers directly or provide for payment to fee-for-service pharmacy providers by the authority.**

11 **(c) Fully capitated health plans may use the pharmacy benefit manager described in**
12 **paragraph (a) of this subsection.**

13 **(d) ORS 414.334 applies to the management of prescription drug benefits by a pharmacy**
14 **benefit manager under this subsection.**

15 **(10) The authority shall appoint an advisory committee in accordance with ORS 183.333**
16 **for any rulemaking conducted pursuant to this section.**

17 **SECTION 128.** ORS 414.334 is amended to read:

18 414.334. (1) The Oregon Health Authority shall adopt a Practitioner-Managed Prescription Drug
19 Plan for the medical assistance program. The purpose of the plan is to ensure that enrollees *[of]* **in**
20 the medical assistance program receive the most effective prescription drug available at the best
21 possible price.

22 *[(2) Before adopting the plan, the authority shall conduct public meetings and consult with the*
23 *Health Resources Commission.]*

24 **(2) In adopting the plan, the authority shall consider recommendations of the Pharmacy**
25 **and Therapeutics Committee and shall consult with the Health Evidence Review Commission.**

26 (3) The authority shall consult with representatives of the regulatory boards and associations
27 representing practitioners who are prescribers under the medical assistance program and ensure
28 that practitioners receive educational materials and have access to training on the Practitioner-
29 Managed Prescription Drug Plan.

30 (4) An enrollee may appeal to the authority a decision of a practitioner or the authority to not
31 provide a prescription drug requested by the enrollee.

32 (5) This section does not limit the decision of a practitioner as to the scope and duration of
33 treatment of chronic conditions, including but not limited to arthritis, diabetes and asthma.

34 **SECTION 129.** ORS 414.334, as amended by section 10, chapter 827, Oregon Laws 2009, is
35 amended to read:

36 414.334. (1) The Oregon Health Authority shall adopt a Practitioner-Managed Prescription Drug
37 Plan for the medical assistance program. The purpose of the plan is to ensure that enrollees *[of]* **in**
38 the medical assistance program receive the most effective prescription drug available at the best
39 possible price.

40 *[(2) Before adopting the plan, the authority shall conduct public meetings and consult with the*
41 *Health Resources Commission.]*

42 **(2) In adopting the plan, the authority shall consider recommendations of the Pharmacy**
43 **and Therapeutics Committee and shall consult with the Health Evidence Review Commission.**

44 (3) The authority shall consult with representatives of the regulatory boards and associations
45 representing practitioners who are prescribers under the medical assistance program and ensure

1 that practitioners receive educational materials and have access to training on the Practitioner-
2 Managed Prescription Drug Plan.

3 (4) Notwithstanding the Practitioner-Managed Prescription Drug Plan adopted by the authority,
4 a practitioner may prescribe any drug that the practitioner indicates is medically necessary for an
5 enrollee as being the most effective available.

6 (5) An enrollee may appeal to the authority a decision of a practitioner or the authority to not
7 provide a prescription drug requested by the enrollee.

8 (6) This section does not limit the decision of a practitioner as to the scope and duration of
9 treatment of chronic conditions, including but not limited to arthritis, diabetes and asthma.

10 **SECTION 130.** ORS 414.337 is amended to read:

11 414.337. The Oregon Health Authority may not adopt or amend any rule that [*requires a pre-*
12 *scribing practitioner to contact the authority to request an exception for a medically appropriate or*
13 *medically necessary drug that is not listed on the Practitioner-Managed Prescription Drug Plan drug*
14 *list for that class of drugs adopted under ORS 414.334, unless otherwise authorized by enabling leg-*
15 *islation setting forth the requirement for prior authorization*] **inhibits a licensed health practitioner**
16 **from making independent decisions:**

17 (1) **About the clinical effectiveness and safety of prescription drugs;**

18 (2) **That are informed by the latest peer-reviewed research; and**

19 (3) **That consider the health condition of a patient or characteristics of a patient includ-**
20 **ing the patient's sex, race or ethnicity.**

21 **SECTION 131.** ORS 414.538 is amended to read:

22 414.538. (1) The [*Department of Human Services*] **Oregon Health Authority** may not impose in-
23 come or resource limitations or a prior period of uninsurance on a woman who otherwise qualifies
24 for medical assistance under ORS 414.534 or 414.536.

25 (2) [*In determining eligibility for*] **In establishing eligibility requirements for** medical assist-
26 ance under ORS 414.534 [*or 414.536*], the [*department*] **authority** shall give priority to low-income
27 women.

28 **SECTION 132.** ORS 414.705 is amended to read:

29 414.705. (1) As used in ORS 414.705 to 414.750, "health services" means at least so much of each
30 of the following as are approved and funded by the Legislative Assembly:

31 (a) Services required by federal law to be included in the state's medical assistance program in
32 order for the program to qualify for federal funds;

33 (b) Services provided by a physician as defined in ORS 677.010, a nurse practitioner certified
34 under ORS 678.375 or other licensed practitioner within the scope of the practitioner's practice as
35 defined by state law, and ambulance services;

36 (c) Prescription drugs;

37 (d) Laboratory and X-ray services;

38 (e) Medical supplies;

39 (f) Mental health services;

40 (g) Chemical dependency services;

41 (h) Emergency dental services;

42 (i) Nonemergency dental services;

43 (j) Provider services, other than services described in paragraphs (a) to (i), (k), (L) and (m) of
44 this subsection, defined by federal law that may be included in the state's medical assistance pro-
45 gram;

- 1 (k) Emergency hospital services;
- 2 (L) Outpatient hospital services; and
- 3 (m) Inpatient hospital services.

4 (2) Health services approved and funded under subsection (1) of this section are subject to the
 5 prioritized list of health services required in [ORS 414.720] **in section 24 of this 2011 Act.**

6 **SECTION 133.** ORS 414.708 is amended to read:

7 414.708. (1) A person is eligible to receive the health services described in ORS 414.707 (2) when
 8 the person is a resident of this state who:

9 (a) Is 65 years of age or older, or is blind or has a disability as those terms are defined in ORS
 10 411.704;

11 (b) Has a gross annual income that does not exceed the standard established by the Oregon
 12 Health [Policy Board] **Authority**; and

13 (c) Is not covered under any public or private prescription drug benefit program.

14 (2) A person receiving prescription drug services under ORS 414.707 (2) shall pay up to a per-
 15 centage of the Medicaid price of the prescription drug established by the authority by rule and the
 16 dispensing fee.

17 **SECTION 134.** ORS 414.710 is amended to read:

18 414.710. The following services are not subject to [ORS 414.720] **section 24 of this 2011 Act:**

19 (1) Nursing facilities, institutional and home- and community-based waived services funded
 20 through the Department of Human Services; and

21 (2) Services to children who are wards of the Department of Human Services by order of the
 22 juvenile court and services to children and families for health care or mental health care through
 23 the department.

24 **SECTION 135.** ORS 414.712 is amended to read:

25 414.712. The Oregon Health Authority shall provide [*medical assistance*] **health services** under
 26 ORS 414.705 to 414.750 to eligible persons who are determined eligible for medical assistance [*by the*
 27 *Department of Human Services according to ORS 411.706*] **as defined in ORS 414.025.** The Oregon
 28 Health Authority shall also provide the following:

29 (1) Ombudsman services for eligible persons who receive assistance under ORS 411.706. With the
 30 concurrence of the Governor and the Oregon Health Policy Board, the Director of the Oregon
 31 Health Authority shall appoint ombudsmen and may terminate an ombudsman. Ombudsmen are un-
 32 der the supervision and control of the director. An ombudsman shall serve as a patient's advocate
 33 whenever the patient or a physician or other medical personnel serving the patient is reasonably
 34 concerned about access to, quality of or limitations on the care being provided by a health care
 35 provider. Patients shall be informed of the availability of an ombudsman. Ombudsmen shall report
 36 to the Governor and the Oregon Health Policy Board in writing at least once each quarter. A re-
 37 port shall include a summary of the services that the ombudsman provided during the quarter and
 38 the ombudsman's recommendations for improving ombudsman services and access to or quality of
 39 care provided to eligible persons by health care providers.

40 (2) Case management services in each health care provider organization for those eligible per-
 41 sons who receive assistance under ORS 411.706. Case managers shall be trained in and shall exhibit
 42 skills in communication with and sensitivity to the unique health care needs of people who receive
 43 assistance under ORS 411.706. Case managers shall be reasonably available to assist patients served
 44 by the organization with the coordination of the patient's health care services at the reasonable
 45 request of the patient or a physician or other medical personnel serving the patient. Patients shall

1 be informed of the availability of case managers.

2 (3) A mechanism, established by rule, for soliciting consumer opinions and concerns regarding
3 accessibility to and quality of the services of each health care provider.

4 (4) A choice of available medical plans and, within those plans, choice of a primary care pro-
5 vider.

6 (5) Due process procedures for any individual whose request for medical assistance coverage for
7 any treatment or service is denied or is not acted upon with reasonable promptness. These proce-
8 dures shall include an expedited process for cases in which a patient’s medical needs require swift
9 resolution of a dispute.

10 **SECTION 136.** ORS 414.725 is amended to read:

11 414.725. (1)(a) Pursuant to rules adopted by the Oregon Health Authority, the authority shall
12 execute prepaid managed care health services contracts for health services funded by the Legisla-
13 tive Assembly. The contract must require that all services are provided to the extent and scope of
14 the Health [Services] **Evidence Review** Commission’s report for each service provided under the
15 contract. The contracts are not subject to ORS chapters 279A and 279B, except ORS 279A.250 to
16 279A.290 and 279B.235. [Notwithstanding ORS 414.720 (8),] The rules adopted by the authority shall
17 establish timelines for executing the contracts described in this paragraph.

18 (b) It is the intent of ORS 414.705 to 414.750 that the state use, to the greatest extent possible,
19 prepaid managed care health services organizations to provide physical health, dental, mental health
20 and chemical dependency services under ORS 414.705 to 414.750.

21 (c) The authority shall solicit qualified providers or plans to be reimbursed for providing the
22 covered services. The contracts may be with hospitals and medical organizations, health mainte-
23 nance organizations, managed health care plans and any other qualified public or private prepaid
24 managed care health services organization. The authority may not discriminate against any con-
25 tractors that offer services within their providers’ lawful scopes of practice.

26 (d) The authority shall establish annual financial reporting requirements for prepaid managed
27 care health services organizations. The authority shall prescribe a reporting procedure that elicits
28 sufficiently detailed information for the authority to assess the financial condition of each prepaid
29 managed care health services organization and that includes information on the three highest
30 executive salary and benefit packages of each prepaid managed care health services organization.

31 (e) The authority shall require compliance with the provisions of paragraph (d) of this subsection
32 as a condition of entering into a contract with a prepaid managed care health services organization.

33 (f)(A) The authority shall adopt rules and procedures to ensure that a rural health clinic that
34 provides a health service to an enrollee of a prepaid managed care health services organization re-
35 ceives total aggregate payments from the organization, other payers on the claim and the authority
36 that are no less than the amount the rural health clinic would receive in the authority’s fee-for-
37 service payment system. The authority shall issue a payment to the rural health clinic in accordance
38 with this subsection within 45 days of receipt by the authority of a completed billing form.

39 (B) “Rural health clinic,” as used in this paragraph, shall be defined by the authority by rule
40 and shall conform, as far as practicable or applicable in this state, to the definition of that term in
41 42 U.S.C. 1395x(aa)(2).

42 (2) The authority may institute a fee-for-service case management system or a fee-for-service
43 payment system for the same physical health, dental, mental health or chemical dependency services
44 provided under the health services contracts for persons eligible for health services under ORS
45 414.705 to 414.750 in designated areas of the state in which a prepaid managed care health services

1 organization is not able to assign an enrollee to a person or entity that is primarily responsible for
 2 coordinating the physical health, dental, mental health or chemical dependency services provided to
 3 the enrollee. In addition, the authority may make other special arrangements as necessary to in-
 4 crease the interest of providers in participation in the state's managed care system, including but
 5 not limited to the provision of stop-loss insurance for providers wishing to limit the amount of risk
 6 they wish to underwrite.

7 (3) As provided in subsections (1) and (2) of this section, the aggregate expenditures by the au-
 8 thority for health services provided pursuant to ORS 414.705 to 414.750 may not exceed the total
 9 dollars appropriated for health services under ORS 414.705 to 414.750.

10 (4) Actions taken by providers, potential providers, contractors and bidders in specific accord-
 11 ance with ORS 414.705 to 414.750 in forming consortiums or in otherwise entering into contracts to
 12 provide health care services shall be performed pursuant to state supervision and shall be consid-
 13 ered to be conducted at the direction of this state, shall be considered to be lawful trade practices
 14 and may not be considered to be the transaction of insurance for purposes of the Insurance Code.

15 (5) Health care providers contracting to provide services under ORS 414.705 to 414.750 shall
 16 advise a patient of any service, treatment or test that is medically necessary but not covered under
 17 the contract if an ordinarily careful practitioner in the same or similar community would do so un-
 18 der the same or similar circumstances.

19 (6) A prepaid managed care health services organization shall provide information on contacting
 20 available providers to an enrollee in writing within 30 days of assignment to the health services
 21 organization.

22 (7) Each prepaid managed care health services organization shall provide upon the request of
 23 an enrollee or prospective enrollee annual summaries of the organization's aggregate data regarding:

- 24 (a) Grievances and appeals; and
- 25 (b) Availability and accessibility of services provided to enrollees.

26 (8) A prepaid managed care health services organization may not limit enrollment in a desig-
 27 nated area based on the zip code of an enrollee or prospective enrollee.

28 **SECTION 137.** ORS 414.730 is amended to read:

29 414.730. The Health [Services] **Evidence Review** Commission shall [establish a Subcommittee on
 30 *Mental Health Care and Chemical Dependency to assist the commission*] **consult with an advisory**
 31 **committee** in determining priorities for mental health care and chemical dependency. The [*sub-*
 32 *committee*] **advisory committee** shall include mental health and chemical dependency professionals
 33 who provide inpatient and outpatient mental health and chemical dependency care.

34 **SECTION 138.** ORS 414.735 is amended to read:

35 414.735. (1) If insufficient resources are available during a contract period:

- 36 (a) The population of eligible persons determined by law [*shall*] **may** not be reduced.
- 37 (b) The reimbursement rate for providers and plans established under the contractual agreement
 38 [*shall*] **may** not be reduced.

39 (2) In the circumstances described in subsection (1) of this section, reimbursement shall be ad-
 40 justed by reducing the health services for the eligible population by eliminating services in the order
 41 of priority recommended by the Health [Services] **Evidence Review** Commission, starting with the
 42 least important and progressing toward the most important.

43 (3) The Oregon Health Policy Board shall obtain the approval of the Legislative Assembly, or
 44 the Emergency Board if the Legislative Assembly is not in session, before instituting the reductions.
 45 In addition, providers contracting to provide health services under ORS 414.705 to 414.750 must be

1 notified at least two weeks prior to any legislative consideration of such reductions. Any reductions
2 made under this section shall take effect no sooner than 60 days following final legislative action
3 approving the reductions.

4 (4) This section does not apply to reductions made by the Legislative Assembly in a legislatively
5 adopted or approved budget.

6 **SECTION 139.** ORS 414.736 is amended to read:

7 414.736. As used in this section and ORS 414.725, 414.737, 414.738, 414.739, 414.740, [414.741,]
8 414.742 and 414.743 and section 9, chapter 867, Oregon Laws 2009, **and section 141 of this 2011**
9 **Act:**

10 (1) "Designated area" means a geographic area of the state defined by the Oregon Health Au-
11 thority by rule that is served by a prepaid managed care health services organization.

12 (2) "Fully capitated health plan" means an organization that contracts with the Oregon Health
13 Authority or the Oregon Health Policy Board on a prepaid capitated basis under ORS 414.725 to
14 provide an adequate network of providers to ensure that the health services provided under the
15 contract are reasonably accessible to enrollees.

16 (3) "Physician care organization" means an organization that contracts with the Oregon Health
17 Authority or the Oregon Health Policy Board on a prepaid capitated basis under ORS 414.725 to
18 provide an adequate network of providers to ensure that the health services described in ORS
19 414.705 (1)(b), (c), (d), (e), (g) and (j) are reasonably accessible to enrollees. A physician care organ-
20 ization may also contract with the authority or the board on a prepaid capitated basis to provide
21 the health services described in ORS 414.705 (1)(k) and (L).

22 (4) "Prepaid managed care health services organization" means a managed physical health,
23 dental, mental health or chemical dependency organization that contracts with the authority or the
24 board on a prepaid capitated basis under ORS 414.725. A prepaid managed care health services or-
25 ganization may be a dental care organization, fully capitated health plan, physician care organiza-
26 tion, mental health organization or chemical dependency organization.

27 **SECTION 140.** ORS 414.736, as amended by section 6, chapter 886, Oregon Laws 2009, is
28 amended to read:

29 414.736. As used in this section and ORS 414.725, 414.737, 414.738, 414.739, 414.740[, 414.741] and
30 414.742 and section 9, chapter 867, Oregon Laws 2009, **and section 141 of this 2011 Act:**

31 (1) "Designated area" means a geographic area of the state defined by the Oregon Health Au-
32 thority by rule that is served by a prepaid managed care health services organization.

33 (2) "Fully capitated health plan" means an organization that contracts with the Oregon Health
34 Authority or the Oregon Health Policy Board on a prepaid capitated basis under ORS 414.725 to
35 provide an adequate network of providers to ensure that the health services provided under the
36 contract are reasonably accessible to enrollees.

37 (3) "Physician care organization" means an organization that contracts with the Oregon Health
38 Authority or the Oregon Health Policy Board on a prepaid capitated basis under ORS 414.725 to
39 provide an adequate network of providers to ensure that the health services described in ORS
40 414.705 (1)(b), (c), (d), (e), (g) and (j) are reasonably accessible to enrollees. A physician care organ-
41 ization may also contract with the authority or the board on a prepaid capitated basis to provide
42 the health services described in ORS 414.705 (1)(k) and (L).

43 (4) "Prepaid managed care health services organization" means a managed physical health,
44 dental, mental health or chemical dependency organization that contracts with the authority or the
45 board on a prepaid capitated basis under ORS 414.725. A prepaid managed care health services or-

1 organization may be a dental care organization, fully capitated health plan, physician care organiza-
 2 tion, mental health organization or chemical dependency organization.

3 **SECTION 141.** (1) **The Oregon Health Authority shall retain an actuary to assist the**
 4 **Health Evidence Review Commission in determining the benchmark for setting per capita**
 5 **rates necessary to reimburse prepaid managed care health services organizations and fee-**
 6 **for-service providers for the cost of providing health services under ORS 414.705 to 414.750.**

7 (2) **The actuary assisting the commission shall use the following information to deter-**
 8 **mine the benchmark for setting per capita rates:**

9 (a) **For hospital services, the most recently available Medicare cost reports for Oregon**
 10 **hospitals;**

11 (b) **For services of physicians licensed under ORS chapter 677 and other health profes-**
 12 **sionals using procedure codes, the Medicare Resource Based Relative Value system conver-**
 13 **sion rates for Oregon;**

14 (c) **For prescription drugs, the most recent payment methodologies in the fee-for-service**
 15 **payment system for the medical assistance program;**

16 (d) **For durable medical equipment and supplies, 80 percent of the Medicare allowable**
 17 **charge for purchases and rentals;**

18 (e) **For dental services, the most recent payment rates obtained from dental care or-**
 19 **ganization encounter data; and**

20 (f) **For all other services not listed in paragraphs (a) to (e) of this subsection:**

21 (A) **The Medicare maximum allowable charge, if available; or**

22 (B) **The most recent payment rates obtained from the data available under subsection (3)**
 23 **of this section.**

24 (3) **The actuary shall use the most current encounter data and the most current fee-**
 25 **for-service data that is available, reasonable trends for utilization and cost changes to the**
 26 **midpoint of the next biennium, appropriate differences in utilization and cost based on ge-**
 27 **ography, state and federal mandates and other factors that, in the professional judgment of**
 28 **the actuary, are relevant to the fair and reasonable estimation of costs. The Oregon Health**
 29 **Authority and the Department of Human Services shall provide the actuary with the data**
 30 **and information in the possession of the authority and the department or the contractors**
 31 **of the authority and the department reasonably necessary to develop a benchmark for set-**
 32 **ting per capita rates.**

33 (4) **The commission shall report the benchmark per capita rates developed under this**
 34 **section to the Director of the Oregon Department of Administrative Services, the Director**
 35 **of the Oregon Health Authority and the Legislative Fiscal Officer no later than August 1 of**
 36 **every even-numbered year.**

37 (5) **The Oregon Health Authority shall retain an actuary to determine:**

38 (a) **Per capita rates for health services that the authority shall use to develop the**
 39 **authority's proposed biennial budget; and**

40 (b) **Capitation rates to reimburse physician care organizations for the cost of providing**
 41 **health services under ORS 414.705 to 414.750 using the same methodologies used to develop**
 42 **capitation rates for fully capitated health plans. The rates may not advantage or disadvan-**
 43 **tage fully capitated health plans for similar services.**

44 (6) **The Oregon Health Authority shall submit to the Legislative Assembly no later than**
 45 **February 1 of every odd-numbered year a report comparing the per capita rates for health**

1 services on which the proposed budget of the authority is based with the rates developed by
 2 the actuary retained to assist the Health Evidence Review Commission. If the rates differ,
 3 the authority shall disclose, by provider categories described in subsection (2) of this section,
 4 the amount of and reason for each variance.

5 **SECTION 142.** Sections 22, 24 and 141 of this 2011 Act are added to and made a part of
 6 ORS 414.705 to 414.750.

7 **SECTION 143.** ORS 416.340 is amended to read:

8 416.340. (1) With respect to any claim *[which the Department of Human Services may have]*
 9 against the estate of a deceased person **under ORS 416.310**, the Department of Human Services **and**
 10 **the Oregon Health Authority** may, *subject to such terms as it may prescribe in any such case*:

11 (a) Secure payment of *[such]* **the** claim in whole or in part by the acceptance of assignments,
 12 conveyances, notes, mortgages and other transfers of property or interests therein.

13 (b) Waive *[such]* **the** claim to the extent that the department *[of Human Services]* **or the au-**
 14 **thority** finds that *[the]* enforcement *[thereof]* would tend to defeat the purpose of the public assist-
 15 ance laws.

16 (2) To the extent that the need for aid resulted from a crime committed against the recipient,
 17 a claim for recovery of the amount of such aid defeats the purpose of the public assistance laws.

18 **SECTION 144.** ORS 416.350 is amended to read:

19 416.350. (1) **The Department of Human Services or** the Oregon Health Authority may recover
 20 from any person the amounts of medical assistance **the department or the authority** incorrectly
 21 paid on behalf of *[such]* **the** person.

22 (2) Medical assistance pursuant to *[this chapter]* **ORS chapter 414** paid on behalf of an individ-
 23 ual who was 55 years of age or older when the individual received *[such]* **the** assistance, or paid
 24 on behalf of a person of any age who was a permanently institutionalized inpatient in a nursing fa-
 25 cility, intermediate care facility for persons with mental retardation or other medical institution,
 26 may be recovered from the estate of the individual or from any recipient of property or other assets
 27 held by the individual at the time of death including the estate of the surviving spouse. Claim for
 28 such medical assistance correctly paid to the individual may be established against the estate, but
 29 *[there shall be no adjustment or recovery thereof]* **the claim may not be adjusted or recovered** until
 30 after the death of the surviving spouse, if any, and only at a time when the individual has no sur-
 31 viving child who is under 21 years of age or who is blind or permanently and totally disabled.
 32 Transfers of real or personal property by recipients of such aid without adequate consideration are
 33 voidable and may be set aside under ORS 411.620 (2).

34 (3) Nothing in this section authorizes the recovery of the amount of any aid from the estate or
 35 surviving spouse of a recipient to the extent that the need for aid resulted from a crime committed
 36 against the recipient.

37 (4) In any action or proceeding under this section to recover medical assistance paid, it *[shall*
 38 *be]* **is** the legal burden of the person who receives the property or other assets from a *[Medicaid]*
 39 **medical assistance** recipient to establish the extent and value of the *[Medicaid]* recipient's legal
 40 title or interest in the property or assets in accordance with rules established by the authority.

41 (5) As used in this section, "estate" includes all real and personal property and other assets in
 42 which the deceased individual had any legal title or interest at the time of death including assets
 43 conveyed to a survivor, heir or assign of the deceased individual through joint tenancy, tenancy in
 44 common, survivorship, life estate, living trust or other similar arrangement.

45 **SECTION 145.** ORS 416.610 is amended to read:

1 416.610. **The Department of Human Services**, the Oregon Health Authority or the recipient's
 2 prepaid managed care health services organization, if the recipient is receiving services from the
 3 organization, shall have a cause of action against any recipient who fails to give the notification
 4 required by ORS 416.530 for amounts received by the recipient pursuant to a judgment, settlement
 5 or compromise to the extent that the department, [or] the authority or the prepaid managed care
 6 health services organization could have had a lien against such amounts had such notice been given.

7 **SECTION 146.** ORS 417.349 is amended to read:

8 417.349. In accordance with ORS 417.342 and 417.344, the Department of Human Services shall
 9 provide family support services throughout the department. Notwithstanding ORS 430.640 **and sec-**
 10 **tion 169 of this 2011 Act**, the department may contract directly with community organizations for
 11 the provision of family support services.

12 **SECTION 147.** ORS 418.517 is amended to read:

13 418.517. (1) **As used in this section:**

14 (a) **"Medically accepted indication" means any use for a covered outpatient drug that is**
 15 **approved under the Federal Food, Drug and Cosmetic Act, or recommended by the Pharmacy**
 16 **and Therapeutics Committee created by section 2 of this 2011 Act, or the use of which is**
 17 **supported by one or more citations included or approved for inclusion in any of the following**
 18 **compendia:**

19 (A) **American Hospital Formulary Service drug information;**

20 (B) **United States Pharmacopoeia drug information or any successor publication;**

21 (C) **The DRUGDEX Information System; or**

22 (D) **Peer-reviewed medical literature.**

23 (b) **"Psychotropic medication" means medication the prescribed intent of which is to af-**
 24 **fect or alter thought processes, mood or behavior, including but not limited to antipsychotic,**
 25 **antidepressant and anxiolytic medication and behavior medications. The classification of a**
 26 **medication depends upon its stated intended effect when prescribed, because it may have**
 27 **many different effects.**

28 [(1)] (2) The [Department of Human Services] **Oregon Health Authority** shall develop by rule
 29 procedures for the use of psychotropic medications for children placed in foster care by the De-
 30 partment **of Human Services.**

31 [(2)] (3) The procedures shall include but not be limited to:

32 (a) Required assessment by a qualified mental health professional or licensed medical profes-
 33 sional, with expertise in children's mental health, as defined by rule of the [department] **authority**
 34 prior to issuance of a new prescription for more than one psychotropic medication or any antipsy-
 35 chotic medication, except in case of urgent medical need as defined by rule.

36 (b) Required notice by the foster parent to the department within one working day after re-
 37 ceiving a new prescription of the psychotropic medication.

38 (c) Required timely notice by the department to the child's parent and the parent's legal repre-
 39 sentative, if any, and the child's legal representative or the court appointed special advocate con-
 40 taining the following information:

41 (A) The prescribed psychotropic medication;

42 (B) The amount of the dosage;

43 (C) The dosage recommended pursuant to a medically accepted indication;

44 (D) The reason for the medication;

45 (E) The efficacy of the medication; and

1 (F) The side effects of the medication.

2 (d) Specified follow-up and monitoring by the department of a child taking psychotropic
 3 medication including, but not limited to, an annual review of medications by a licensed medical
 4 professional, or qualified mental health professional with authority to prescribe drugs, other than
 5 the prescriber, if the child has more than two prescriptions for psychotropic medications or if the
 6 child is under the age of six years.

7 [(3)] (4) A psychotropic medication may not be prescribed for a child under this section unless
 8 it is used for a medically accepted indication that is age appropriate.

9 [(4)] (5) Any parent, legal representative of the parent, legal representative of the child or court
 10 appointed special advocate may petition the juvenile court for a hearing if the parent, the repre-
 11 sentative of the parent, if any, the legal representative of the child or the advocate objects to the
 12 use of or the prescribed dosage of the psychotropic medication. The court may order an independent
 13 evaluation of the need for or the prescribed dosage of the medication. The court may order that
 14 administration of the medication be discontinued or the prescribed dosage be modified upon a
 15 showing that either the prescribed medication or the dosage, or both, are inappropriate.

16 [(5) *As used in this section:*]

17 [(a) *“Medically accepted indication” means any use for a covered outpatient drug that is approved*
 18 *under the Federal Food, Drug and Cosmetic Act, or recommended by the Drug Use Review Board, or*
 19 *the use of which is supported by one or more citations included or approved for inclusion in any of the*
 20 *following compendia:*]

21 [(A) *American Hospital Formulary Services drug information;*]

22 [(B) *United States Pharmacopoeia drug information or any successor publication;*]

23 [(C) *The DRUGDEX Information System; or*]

24 [(D) *The peer-reviewed medical literature.*]

25 [(b) *“Psychotropic medication” means medication the prescribed intent of which is to affect or alter*
 26 *thought processes, mood or behavior, including but not limited to antipsychotic, antidepressant and*
 27 *anxiolytic medication and behavior medications. The classification of a medication depends upon its*
 28 *stated, intended effect when prescribed because it may have many different effects.*]

29 **SECTION 148.** ORS 418.975 is amended to read:

30 418.975. As used in ORS 418.975 to 418.985:

31 (1) “Cultural competence” means accepting and respecting diversity and differences in a con-
 32 tinuous process of self-assessment and reflection on one’s personal and organizational perceptions
 33 of the dynamics of culture.

34 (2) “Family” includes, with respect to a youth:

35 (a) A biological or legal parent;

36 (b) A sibling;

37 (c) An individual related by blood, marriage or adoption;

38 (d) A foster parent;

39 (e) A legal guardian;

40 (f) A caregiver;

41 (g) An individual with a significant social relationship with the youth; and

42 (h) Any person who provides natural, formal or informal support to the youth that the youth
 43 identifies as important.

44 (3) “Family-run organization” means a private nonprofit entity organized for the purpose of
 45 serving families with a youth who has a serious emotional disorder [*that*]. **The entity must:**

1 (a) [*Has*] **Have** a governing board in which a majority of the members are family members of a
 2 youth with a serious emotional disorder; and

3 (b) [*Gives*] **Give** a preference to family members in hiring decisions for the entity.

4 (4) “Identified population” means youth who have or are at risk of developing emotional, be-
 5 havioral or substance use related needs, and who are involved with two or more systems of care.

6 (5) “Partner agency” includes the Department of Education, Oregon Youth Authority, Depart-
 7 ment of Human Services, State Commission on Children and Families, **Oregon Health Authority**
 8 and other appropriate agencies involved in the system of care.

9 (6) “Services and supports” means public, private and community resources that assist youth in
 10 the achievement of positive outcomes.

11 (7) “System of care” means a coordinated network of services including education, child welfare,
 12 public health, primary care, pediatric care, juvenile justice, mental health treatment, substance use
 13 treatment, developmental disability services and any other services and supports to the identified
 14 population that integrates care planning and management across multiple levels, that is culturally
 15 and linguistically competent, that is designed to build meaningful partnerships with families and
 16 youth in the delivery and management of services and the development of policy and that has a
 17 supportive policy and management infrastructure.

18 (8) “Wraparound” means a definable, team-based planning process involving a youth and the
 19 youth’s family that results in a unique set of community services and services and supports indi-
 20 vidualized for that youth and family to achieve a set of positive outcomes.

21 (9) “Youth” means an individual 18 years of age or younger.

22 **SECTION 149.** ORS 418.985 is amended to read:

23 418.985. (1) There is established the Children’s Wraparound Initiative Advisory Committee con-
 24 sisting of members representing:

25 (a) Partner agencies;

26 (b) Local service providers;

27 (c) Youth and the family of youth who have current or past involvement with at least two
 28 partner agencies; and

29 (d) Organizations that advocate for youth.

30 (2) The majority of members of the committee shall be representatives of youth or the family
 31 of youth and advocacy organizations.

32 (3) The committee shall advise and assist in the implementation of the wraparound initiative
 33 described in ORS 418.977.

34 (4) The Department of Human Services **and the Oregon Health Authority**, in consultation with
 35 the committee, shall report biennially to the Governor and the Legislative Assembly on the progress
 36 toward and projected costs of full implementation of the wraparound initiative.

37 **SECTION 150.** ORS 426.005 is amended to read:

38 426.005. (1) As used in ORS 426.005 to 426.390, unless the context requires otherwise:

39 (a) “Authority” means the Oregon Health Authority.

40 (b) “Community mental health program director” means the director of an entity that provides
 41 the services described in ORS 430.630 (3)[, (4) and (6)] **to (5)**.

42 (c) “Director of the facility” means a superintendent of a state mental hospital, the chief of
 43 psychiatric services in a community hospital or the person in charge of treatment and rehabilitation
 44 programs at other treatment facilities.

45 (d) “Facility” means a state mental hospital, community hospital, residential facility,

1 detoxification center, day treatment facility or such other facility as the authority determines suit-
 2 able, any of which may provide diagnosis and evaluation, medical care, detoxification, social services
 3 or rehabilitation for committed mentally ill persons.

4 (e) "Mentally ill person" means a person who, because of a mental disorder, is one or more of
 5 the following:

6 (A) Dangerous to self or others.

7 (B) Unable to provide for basic personal needs and is not receiving such care as is necessary
 8 for health or safety.

9 (C) A person:

10 (i) With a chronic mental illness, as defined in ORS 426.495;

11 (ii) Who, within the previous three years, has twice been placed in a hospital or approved in-
 12 patient facility by the authority **or the Department of Human Services** under ORS 426.060;

13 (iii) Who is exhibiting symptoms or behavior substantially similar to those that preceded and led
 14 to one or more of the hospitalizations or inpatient placements referred to in sub-subparagraph (ii)
 15 of this subparagraph; and

16 (iv) Who, unless treated, will continue, to a reasonable medical probability, to physically or
 17 mentally deteriorate so that the person will become a person described under either subparagraph
 18 (A) or (B) of this paragraph or both.

19 (f) "Nonhospital facility" means any facility, other than a hospital, that is approved by the au-
 20 thority to provide adequate security, psychiatric, nursing and other services to persons under ORS
 21 426.232 or 426.233.

22 (g) "Prehearing period of detention" means a period of time calculated from the initiation of
 23 custody during which a person may be detained under ORS 426.228, 426.231, 426.232 or 426.233.

24 (2) Whenever a community mental health program director, director of the facility, superinten-
 25 dent of a state hospital or administrator of a facility is referred to, the reference includes any
 26 designee such person has designated to act on the person's behalf in the exercise of duties.

27 **SECTION 151.** ORS 426.129 is amended to read:

28 426.129. [*On or before January 1, 2010, the Department of Human Services shall establish a posi-*
 29 *tion to act*] **The Oregon Health Authority shall employ at least one individual to serve** as a li-
 30 aison between the [*department*] **authority** and communities in which the [*department*] **authority**
 31 plans to establish housing for persons conditionally released by the Psychiatric Security Review
 32 Board or for persons with mental illness.

33 **SECTION 152.** ORS 426.250 is amended to read:

34 426.250. The following is a nonexclusive list of responsibilities for payment of various costs re-
 35 lated to commitment proceedings under this chapter [*and ORS 430.397 to 430.401*] as described:

36 (1) Any physician or qualified person recommended by the Oregon Health Authority who is
 37 employed under ORS 426.110 to make an examination as to the mental condition of a person alleged
 38 to be mentally ill shall be allowed a fee as the court in its discretion determines reasonable for the
 39 examination.

40 (2) Witnesses subpoenaed to give testimony shall receive the same fees as are paid in criminal
 41 cases, and are subject to compulsory attendance in the same manner as provided in ORS 136.567 to
 42 136.603. The attendance of out-of-state witnesses may be secured in the same manner as provided in
 43 ORS 136.623 to 136.637. The party who subpoenas the witness or requests the court to subpoena the
 44 witness is responsible for payment of the cost of the subpoena and payment for the attendance of
 45 the witness at a hearing. When the witness has been subpoenaed on behalf of an allegedly mentally

1 ill person who is represented by appointed counsel, the fees and costs allowed for that witness shall
 2 be paid pursuant to ORS 135.055. If the costs of witnesses subpoenaed by the allegedly mentally ill
 3 person are paid as provided under this subsection, the procedure for subpoenaing witnesses shall
 4 comply with ORS 136.570.

5 (3) If a person with a right to a counsel under ORS 426.100 is determined to be financially eli-
 6 gible for appointed counsel at state expense, the public defense services executive director shall
 7 determine and pay, as provided in ORS 135.055, the reasonable expenses related to the represen-
 8 tation of the person and compensation for legal counsel. The expenses and compensation so allowed
 9 shall be paid by the public defense services executive director from funds available for the purpose.

10 (4) The authority shall pay the costs of expenses incurred under ORS 426.100 by the Attorney
 11 General's office. Any costs for district attorneys or other counsel appointed to assume responsibility
 12 for presenting the state's case shall be paid by the county where the commitment hearing is held,
 13 subject to reimbursement under ORS 426.310.

14 (5) All costs incurred in connection with a proceeding under ORS 426.200, including the costs
 15 of transportation, commitment and delivery of the person, shall be paid by the county of which the
 16 person is a resident; or, if the person is not a resident of this state, then by the county from which
 17 the emergency admission was made.

18 (6) All costs incurred in connection with a proceeding under ORS 426.180 for the commitment
 19 of a person from a reservation for land-based tribes of Native Americans, including the cost of
 20 transportation, commitment and delivery of the person, shall be paid by the ruling body of the res-
 21 ervation of which the person is a resident.

22 **SECTION 153.** ORS 426.275 is amended to read:

23 426.275. The following are applicable to placements of mentally ill persons that are made as
 24 conditional release under ORS 426.125, outpatient commitments under ORS 426.127 or trial visits
 25 under ORS 426.273 as described:

26 (1) If the person responsible under this subsection determines that the mentally ill person is
 27 failing to adhere to the terms and conditions of the placement, the responsible person shall notify
 28 the court having jurisdiction that the mentally ill person is not adhering to the terms and conditions
 29 of the placement. If the placement is an outpatient commitment under ORS 426.127 or a trial visit
 30 under ORS 426.273, the notifications shall include a copy of the conditions for the placement. The
 31 person responsible for notifying the court under this subsection is as follows:

32 (a) For conditional releases under ORS 426.125, the guardian, relative or friend in whose care
 33 the mentally ill person is conditionally released.

34 (b) For outpatient commitments under ORS 426.127, the community mental health program di-
 35 rector, or designee of the director, of the county in which the person on outpatient commitment
 36 lives.

37 (c) For trial visits under ORS 426.273, the community mental health program director, or
 38 designee of the director, of the county in which the person on trial visit is to receive outpatient
 39 treatment.

40 (2) On its own motion, the court with jurisdiction of a mentally ill person on such placement
 41 may cause the person to be brought before it for a hearing to determine whether the person is or
 42 is not adhering to the terms and conditions of the placement. The person shall have the same rights
 43 with respect to notice, detention stay, hearing and counsel as for a hearing held under ORS 426.095.
 44 The court shall hold the hearing within five judicial days of the date the mentally ill person receives
 45 notice under this section. The court may allow postponement and detention during postponement as

1 provided under ORS 426.095.

2 (3) Pursuant to the determination of the court upon hearing under this section, a person on
3 placement shall either continue the placement on the same or modified conditions or shall be re-
4 turned to the Oregon Health Authority for involuntary care and treatment on an inpatient basis
5 subject to discharge at the end of the commitment period or as otherwise provided under this
6 chapter [*and ORS 430.397 to 430.401*].

7 (4) If the person on placement is living in a county other than the county of the court that es-
8 tablished the current period of commitment under ORS 426.130 during which the trial visit, condi-
9 tional release or outpatient commitment takes place, the court establishing the current period of
10 commitment shall transfer jurisdiction to the appropriate court of the county in which the person
11 is living while on the placement and the court receiving the transfer shall accept jurisdiction.

12 (5) The court may proceed as provided in ORS 426.307 or this section when the court:

13 (a) Receives notice under ORS 426.070 or 426.228 to 426.235; and

14 (b) Determines that the person is a mentally ill person on conditional release under ORS 426.125,
15 outpatient commitment under ORS 426.127 or trial visit under ORS 426.273.

16 **SECTION 154.** ORS 426.495 is amended to read:

17 426.495. (1) As used in ORS 426.490 to 426.500, unless the context requires otherwise:

18 (a) "Case manager" means a person who works on a continuing basis with a person with a
19 chronic mental illness and is responsible for assuring the continuity of the various services called
20 for in the discharge plan of the person with a chronic mental illness including services for basic
21 personal maintenance, mental and personal treatment, and appropriate education and employment.

22 (b) "Discharge plan" means a written plan prepared jointly with the person with a chronic
23 mental illness, mental health staff and case manager prior to discharge, prescribing for the basic
24 and special needs of the person upon release from the hospital.

25 (c) "Person with a chronic mental illness" means an individual who is:

26 (A) Eighteen years of age or older; and

27 (B) Diagnosed by a psychiatrist, a licensed clinical psychologist or a nonmedical examiner cer-
28 tified by the Oregon Health Authority **or the Department of Human Services** as having chronic
29 schizophrenia, a chronic major affective disorder, a chronic paranoid disorder or another chronic
30 psychotic mental disorder other than those caused by substance abuse.

31 (2) For purposes of providing services in the community, the authority may adopt rules consist-
32 ent with accepted professional practices in the fields of psychology and psychiatry to specify other
33 criteria for determining who is a person with a chronic mental illness.

34 **SECTION 155.** ORS 427.005 is amended to read:

35 427.005. As used in this chapter:

36 (1) "Adaptive behavior" means the effectiveness or degree with which an individual meets the
37 standards of personal independence and social responsibility expected for age and cultural group.

38 (2) "Care" means:

39 (a) Supportive services, including, but not limited to, provision of room and board;

40 (b) Supervision;

41 (c) Protection; and

42 (d) Assistance in bathing, dressing, grooming, eating, management of money, transportation or
43 recreation.

44 (3) "Community developmental disabilities program director" means the director of an entity
45 that provides services described in [*ORS 430.630*] **section 164 of this 2011 Act** to persons with

1 [mental retardation or other] developmental disabilities.

2 (4) "Developmental period" means the period of time between birth and the 18th birthday.

3 (5) "Director of the facility" means the superintendent of a state training center, or the person
4 in charge of care, treatment and training programs at other facilities.

5 (6) "Facility" means a state training center, community hospital, group home, activity center,
6 intermediate care facility, community mental health clinic, or such other facility or program as the
7 Department of Human Services approves to provide necessary services to persons with mental re-
8 tardation.

9 (7) "Incapacitated" means a person is unable, without assistance, to properly manage or take
10 care of personal affairs or is incapable, without assistance, of self-care.

11 (8) "Independence" means the extent to which persons with mental retardation or developmental
12 disabilities exert control and choice over their own lives.

13 (9) "Integration" means:

14 (a) Use by persons with mental retardation or developmental disabilities of the same community
15 resources that are used by and available to other persons;

16 (b) Participation by persons with mental retardation or developmental disabilities in the same
17 community activities in which persons without disabilities participate, together with regular contact
18 with persons without disabilities; and

19 (c) Residence by persons with developmental disabilities in homes or in home-like settings that
20 are in proximity to community resources, together with regular contact with persons without disa-
21 bilities in their community.

22 (10) "Intellectual functioning" means functioning as assessed by one or more of the individually
23 administered general intelligence tests developed for the purpose.

24 (11) "Mental retardation" means significantly subaverage general intellectual functioning exist-
25 ing concurrently with deficits in adaptive behavior and manifested during the developmental period.
26 Persons of borderline intelligence may be considered to have mental retardation if there is also se-
27 rious impairment of adaptive behavior. Definitions and classifications shall be consistent with the
28 "Manual on Terminology and Classification in Mental Retardation" of the American Association on
29 Mental Deficiency. Mental retardation is synonymous with mental deficiency.

30 (12) "Minor" means an unmarried person under 18 years of age.

31 (13) "Physician" means a person licensed by the Oregon Medical Board to practice medicine and
32 surgery.

33 (14) "Productivity" means engagement in income-producing work by a person with mental re-
34 tardation or a developmental disability which is measured through improvements in income level,
35 employment status or job advancement or engagement by a person with mental retardation or a
36 developmental disability in work contributing to a household or community.

37 (15) "Resident" means a person admitted to a state training center either voluntarily or after
38 commitment to the department.

39 (16) "Significantly subaverage" means a score on a test of intellectual functioning that is two
40 or more standard deviations below the mean for the test.

41 (17) "State training center" means Eastern Oregon Training Center and any other facility op-
42 erated by the department for the care, treatment and training of persons with mental retardation.

43 (18) "Training" means:

44 (a) The systematic, planned maintenance, development or enhancement of self-care, social or
45 independent living skills; or

1 (b) The planned sequence of systematic interactions, activities, structured learning situations
 2 or education designed to meet each resident's specified needs in the areas of physical, emotional,
 3 intellectual and social growth.

4 (19) "Treatment" means the provision of specific physical, mental, social interventions and
 5 therapies which halt, control or reverse processes that cause, aggravate or complicate malfunctions
 6 or dysfunctions.

7 **SECTION 156.** ORS 430.021 is amended to read:

8 430.021. Subject to ORS 417.300 and 417.305:

9 (1) The Department of Human Services shall:

10 (a) Direct, promote, correlate and coordinate all the activities, duties and direct services for
 11 persons with [*mental retardation or*] developmental disabilities.

12 (b) Promote, correlate and coordinate the developmental disabilities activities of all govern-
 13 mental organizations throughout the state in which there is any direct contact with developmental
 14 disabilities programs.

15 (c) Establish, coordinate, assist and direct a community developmental disabilities program in
 16 cooperation with local government units and integrate such a program with the state developmental
 17 disabilities program.

18 (d) Promote public education in this state concerning developmental disabilities and act as the
 19 liaison center for work with all interested public and private groups and agencies in the field of
 20 developmental disabilities services.

21 (2) The Oregon Health Authority shall:

22 (a) Direct, promote, correlate and coordinate all the activities, duties and direct services for
 23 persons with mental or emotional disturbances, alcoholism or drug dependence.

24 (b) Promote, correlate and coordinate the mental health activities of all governmental organ-
 25 izations throughout the state in which there is any direct contact with mental health programs.

26 (c) Establish, coordinate, assist and direct a community mental health program in cooperation
 27 with local government units and integrate such a program with the state mental health program.

28 (d) Promote public education in this state concerning mental health and act as the liaison center
 29 for work with all interested public and private groups and agencies in the field of mental health
 30 services.

31 (3) The department and the authority shall develop cooperative programs with interested private
 32 groups throughout the state to effect better community awareness and action in the fields of mental
 33 health and developmental disabilities, and encourage and assist in all necessary ways community
 34 general hospitals to establish psychiatric services.

35 (4) To the greatest extent possible, the least costly settings for treatment, outpatient services
 36 and residential facilities shall be widely available and utilized except when contraindicated because
 37 of individual health care needs. State agencies that purchase treatment for mental or emotional
 38 disturbances shall develop criteria consistent with this policy. In reviewing applications for certif-
 39 icates of need, the Director of the Oregon Health Authority shall take this policy into account.

40 (5) The department and the authority shall accept the custody of persons committed to its care
 41 by the courts of this state.

42 (6) The authority shall adopt rules to require a facility and a nonhospital facility as those terms
 43 are defined in ORS 426.005, and a provider that employs a person described in ORS 426.415, if sub-
 44 ject to authority rules regarding the use of restraint or seclusion during the course of mental health
 45 treatment of a child or adult, to report to the authority each calendar quarter the number of inci-

1 dents involving the use of restraint or seclusion. The aggregate data shall be made available to the
2 public.

3 **SECTION 157.** ORS 430.205 is amended to read:

4 430.205. As used in this section and ORS 430.210:

5 (1) "Facility" means any of the following that are licensed or certified by the Department of
6 Human Services or the Oregon Health Authority or that contract with the department or authority
7 for the provision of services:

8 (a) A health care facility as defined in ORS 442.015;

9 (b) A domiciliary care facility as defined in ORS 443.205;

10 (c) A residential facility as defined in ORS 443.400; or

11 (d) An adult foster home as defined in ORS 443.705.

12 (2) "Person" means an individual who has a mental illness or developmental disability and re-
13 ceives services from a program or facility.

14 (3) "Program" means a community mental health program or a community developmental disa-
15 bilities program as described in ORS 430.610 to 430.695 and agencies with which the program con-
16 tracts to provide services.

17 (4) "Services" means mental health services or developmental disabilities services provided un-
18 der ORS 430.630 or section 164 of this 2011 Act.

19 **SECTION 158.** ORS 430.210 is amended to read:

20 430.210. (1) While receiving services, every person shall have the right to:

21 (a) Choose from available services those which are appropriate, consistent with the plan devel-
22 oped in accordance with paragraphs (b) and (c) of this subsection and provided in a setting and
23 under conditions that are least restrictive to the person's liberty, that are least intrusive to the
24 person and that provide for the greatest degree of independence.

25 (b) An individualized written service plan, services based upon that plan and periodic review
26 and reassessment of service needs.

27 (c) Ongoing participation in planning of services in a manner appropriate to the person's capa-
28 bilities, including the right to participate in the development and periodic revision of the plan de-
29 scribed in paragraph (b) of this subsection, and the right to be provided with a reasonable
30 explanation of all service considerations.

31 (d) Not receive services without informed voluntary written consent except in a medical emer-
32 gency or as otherwise permitted by law.

33 (e) Not participate in experimentation without informed voluntary written consent.

34 (f) Receive medication only for the person's individual clinical needs.

35 (g) Not be involuntarily terminated or transferred from services without prior notice, notifica-
36 tion of available sources of necessary continued services and exercise of a grievance procedure.

37 (h) A humane service environment that affords reasonable protection from harm, reasonable
38 privacy and daily access to fresh air and the outdoors, except that such access may be limited when
39 it would create significant risk of harm to the person or others.

40 (i) Be free from abuse or neglect and to report any incident of abuse without being subject to
41 retaliation.

42 (j) Religious freedom.

43 (k) Not be required to perform labor, except personal housekeeping duties, without reasonable
44 and lawful compensation.

45 (L) Visit with family members, friends, advocates and legal and medical professionals.

1 (m) Exercise all rights set forth in ORS 427.031 if the individual is committed to the Department
2 of Human Services.

3 (n) Exercise all rights set forth in ORS 426.385 if the individual is committed to the Oregon
4 Health Authority.

5 (o) Be informed at the start of services and periodically thereafter of the rights guaranteed by
6 this section and the procedures for reporting abuse, and to have these rights and procedures, in-
7 cluding the name, address and telephone number of the system described in ORS 192.517 (1), promi-
8 nently posted in a location readily accessible to the person and made available to the person's
9 guardian and any representative designated by the person.

10 (p) Assert grievances with respect to infringement of the rights described in this section, in-
11 cluding the right to have such grievances considered in a fair, timely and impartial grievance pro-
12 cedure.

13 (q) Have access to and communicate privately with any public or private rights protection pro-
14 gram or rights advocate.

15 (r) Exercise all rights described in this section without any form of reprisal or punishment.

16 (2) An individual who is receiving developmental disability services under [ORS 430.630] **section**
17 **164 of this 2011 Act** has the right to be informed and have the individual's guardian and any rep-
18 resentative designated by the individual be informed that a family member has contacted the De-
19 partment of Human Services to determine the location of the individual, and to be informed of the
20 name and contact information, if known, of the family member.

21 (3) The rights described in this section are in addition to, and do not limit, all other statutory
22 and constitutional rights which are afforded all citizens including, but not limited to, the right to
23 vote, marry, have or not have children, own and dispose of property, enter into contracts and exe-
24 cute documents.

25 (4) The rights described in this section may be asserted and exercised by the person, the
26 person's guardian and any representative designated by the person.

27 (5) Nothing in this section may be construed to alter any legal rights and responsibilities be-
28 tween parent and child.

29 **SECTION 159.** ORS 430.397 is amended to read:

30 430.397. Any person may voluntarily apply for admission to any treatment facility[, *as defined*
31 *in ORS 430.306,*] operated pursuant to rules of the Oregon Health Authority. The director of the
32 treatment facility shall determine whether the person shall be admitted as a patient, or referred to
33 another appropriate treatment facility or denied referral or admission. If the person is under 18
34 years of age or an incompetent, the director of the treatment facility shall notify the person's par-
35 ents or guardian of the admission or referral.

36 **SECTION 160.** ORS 430.610 is amended to read:

37 430.610. It is declared to be the policy and intent of the Legislative Assembly that:

38 (1) Subject to the availability of funds, services should be available to all persons with mental
39 or emotional disturbances, [*mental retardation,*] developmental disabilities, alcoholism or drug de-
40 pendence, and persons who are alcohol or drug abusers, regardless of age, county of residence or
41 ability to pay;

42 (2) The Department of Human Services, the Oregon Health Authority and other state agencies
43 shall conduct their activities in the least costly and most efficient manner so that delivery of ser-
44 vices to persons with mental or emotional disturbances, [*mental retardation,*] developmental disabil-
45 ities, alcoholism or drug dependence, and persons who are alcohol or drug abusers, shall be effective

1 and coordinated;

2 (3) To the greatest extent possible, mental health and developmental disabilities services shall
3 be delivered in the community where the person lives in order to achieve maximum coordination of
4 services and minimum disruption in the life of the person; and

5 (4) The State of Oregon shall encourage, aid and financially assist its county governments in the
6 establishment and development of community mental health programs or community developmental
7 disabilities programs, including but not limited to, treatment and rehabilitation services for persons
8 with mental or emotional disturbances, [*mental retardation,*] developmental disabilities, alcoholism
9 or drug dependence, and persons who are alcohol or drug abusers, and prevention of these problems
10 through county administered community mental health programs or community developmental disa-
11 bilities programs.

12 **SECTION 161.** ORS 430.630 is amended to read:

13 430.630. (1) In addition to any other requirements that may be established by rule by the Oregon
14 Health Authority, each community mental health program [*and community developmental disabilities*
15 *program*], subject to the availability of funds, shall provide the following basic services to persons
16 with [*mental retardation, developmental disabilities,*] alcoholism or drug dependence, and persons who
17 are alcohol or drug abusers:

18 (a) Outpatient services;

19 (b) Aftercare for persons released from hospitals [*and training centers*];

20 (c) Training, case and program consultation and education for community agencies, related
21 professions and the public;

22 (d) Guidance and assistance to other human service agencies for joint development of prevention
23 programs and activities to reduce factors causing [*mental retardation, developmental disabilities,*] al-
24 cohol abuse, alcoholism, drug abuse and drug dependence; and

25 (e) Age-appropriate treatment options for older adults.

26 (2) As alternatives to state hospitalization, it is the responsibility of the community mental
27 health [*or community developmental disabilities*] program to ensure that, subject to the availability
28 of funds, the following services for persons with [*mental retardation, developmental disabilities,*]
29 alcoholism or drug dependence, and persons who are alcohol or drug abusers, are available when
30 needed and approved by the Oregon Health Authority:

31 (a) Emergency services on a 24-hour basis, such as telephone consultation, crisis intervention
32 and prehospital screening examination;

33 (b) Care and treatment for a portion of the day or night, which may include day treatment
34 centers, work activity centers and [*preschool*] **after-school** programs;

35 (c) Residential care and treatment in facilities such as halfway houses, detoxification centers
36 and other community living facilities;

37 (d) Continuity of care, such as that provided by service coordinators, community case develop-
38 ment specialists and core staff of federally assisted community mental health centers;

39 (e) Inpatient treatment in community hospitals; and

40 (f) Other alternative services to state hospitalization as defined by [*the Department of Human*
41 *Services or*] the Oregon Health Authority.

42 (3) In addition to any other requirements that may be established by rule of the Oregon Health
43 Authority, each community mental health program, subject to the availability of funds, shall provide
44 or ensure the provision of the following services to persons with mental or emotional disturbances:

45 (a) Screening and evaluation to determine the client's service needs;

1 (b) Crisis stabilization to meet the needs of persons with acute mental or emotional disturbances,
 2 including the costs of investigations and prehearing detention in community hospitals or other fa-
 3 cilities approved by the authority for persons involved in involuntary commitment procedures;

4 (c) Vocational and social services that are appropriate for the client’s age, designed to improve
 5 the client’s vocational, social, educational and recreational functioning;

6 (d) Continuity of care to link the client to housing and appropriate and available health and
 7 social service needs;

8 (e) Psychiatric care in state and community hospitals, subject to the provisions of subsection (4)
 9 of this section;

10 (f) Residential services;

11 (g) Medication monitoring;

12 (h) Individual, family and group counseling and therapy;

13 (i) Public education and information;

14 (j) Prevention of mental or emotional disturbances and promotion of mental health;

15 (k) Consultation with other community agencies;

16 (L) Preventive mental health services for children and adolescents, including primary prevention
 17 efforts, early identification and early intervention services. Preventive services should be patterned
 18 after service models that have demonstrated effectiveness in reducing the incidence of emotional,
 19 behavioral and cognitive disorders in children. As used in this paragraph:

20 (A) “Early identification” means detecting emotional disturbance in its initial developmental
 21 stage;

22 (B) “Early intervention services” for children at risk of later development of emotional disturb-
 23 ances means programs and activities for children and their families that promote conditions, oppor-
 24 tunities and experiences that encourage and develop emotional stability, self-sufficiency and
 25 increased personal competence; and

26 (C) “Primary prevention efforts” means efforts that prevent emotional problems from occurring
 27 by addressing issues early so that disturbances do not have an opportunity to develop; and

28 (m) Preventive mental health services for older adults, including primary prevention efforts,
 29 early identification and early intervention services. Preventive services should be patterned after
 30 service models that have demonstrated effectiveness in reducing the incidence of emotional and be-
 31 havioral disorders and suicide attempts in older adults. As used in this paragraph:

32 (A) “Early identification” means detecting emotional disturbance in its initial developmental
 33 stage;

34 (B) “Early intervention services” for older adults at risk of development of emotional disturb-
 35 ances means programs and activities for older adults and their families that promote conditions,
 36 opportunities and experiences that encourage and maintain emotional stability, self-sufficiency and
 37 increased personal competence and that deter suicide; and

38 (C) “Primary prevention efforts” means efforts that prevent emotional problems from occurring
 39 by addressing issues early so that disturbances do not have an opportunity to develop.

40 (4) A community mental health program shall assume responsibility for psychiatric care in state
 41 and community hospitals, as provided in subsection (3)(e) of this section, in the following circum-
 42 stances:

43 (a) The person receiving care is a resident of the county served by the program. For purposes
 44 of this paragraph, “resident” means the resident of a county in which the person maintains a current
 45 mailing address or, if the person does not maintain a current mailing address within the state, the

1 county in which the person is found, or the county in which a court-committed person with a mental
2 illness has been conditionally released.

3 (b) The person has been hospitalized involuntarily or voluntarily, pursuant to ORS 426.130 or
4 426.220, except for persons confined to the Secure Child and Adolescent Treatment Unit at Oregon
5 State Hospital, or has been hospitalized as the result of a revocation of conditional release.

6 (c) Payment is made for the first 60 consecutive days of hospitalization.

7 (d) The hospital has collected all available patient payments and third-party reimbursements.

8 (e) In the case of a community hospital, the authority has approved the hospital for the care of
9 persons with mental or emotional disturbances, the community mental health program has a con-
10 tract with the hospital for the psychiatric care of residents and a representative of the program
11 approves voluntary or involuntary admissions to the hospital prior to admission.

12 *[(5) Subject to the review and approval of the Department of Human Services, a developmental*
13 *disabilities program may initiate additional services after the services defined in this section are pro-*
14 *vided.]*

15 *[(6)]* (5) Subject to the review and approval of the Oregon Health Authority, a mental health
16 program may initiate additional services after the services defined in this section are provided.

17 *[(7)]* (6) Each community mental health program *[and community developmental disabilities pro-*
18 *gram]* and the state hospital serving the program's geographic area shall enter into a written
19 agreement concerning the policies and procedures to be followed by the program and the hospital
20 when a patient is admitted to, and discharged from, the hospital and during the period of
21 hospitalization.

22 *[(8)]* (7) Each community mental health program shall have a mental health advisory committee,
23 appointed by the board of county commissioners or the county court or, if two or more counties
24 have combined to provide mental health services, the boards or courts of the participating counties
25 or, in the case of a Native American reservation, the tribal council.

26 *[(9)]* (8) A community mental health program may request and the authority may grant a waiver
27 regarding provision of one or more of the services described in subsection (3) of this section upon
28 a showing by the county and a determination by the authority that persons with mental or emotional
29 disturbances in that county would be better served and unnecessary institutionalization avoided.

30 *[(10)]* (9) Each community mental health program shall cooperate fully with the Alcohol and
31 Drug Policy Commission in the performance of its duties.

32 *[(11)(a)]* (10)(a) As used in this subsection, "local mental health authority" means one of the
33 following entities:

34 (A) The board of county commissioners of one or more counties that establishes or operates a
35 community mental health program;

36 (B) The tribal council, in the case of a federally recognized tribe of Native Americans that elects
37 to enter into an agreement to provide mental health services; or

38 (C) A regional local mental health authority *[comprised of]* **comprising** two or more boards of
39 county commissioners.

40 (b) Each local mental health authority that provides mental health services shall determine the
41 need for local mental health services and adopt a comprehensive local plan for the delivery of
42 mental health services for children, families, adults and older adults that describes the methods by
43 which the local mental health authority shall provide those services. The local mental health au-
44 thority shall review and revise the local plan biennially. The purpose of the local plan is to create
45 a blueprint to provide mental health services that are directed by and responsive to the mental

1 health needs of individuals in the community served by the local plan.

2 (c) The local plan shall identify ways to:

3 (A) Coordinate and ensure accountability for all levels of care described in paragraph (e) of this
4 subsection;

5 (B) Maximize resources for consumers and minimize administrative expenses;

6 (C) Provide supported employment and other vocational opportunities for consumers;

7 (D) Determine the most appropriate service provider among a range of qualified providers;

8 (E) Ensure that appropriate mental health referrals are made;

9 (F) Address local housing needs for persons with mental health disorders;

10 (G) Develop a process for discharge from state and local psychiatric hospitals and transition
11 planning between levels of care or components of the system of care;

12 (H) Provide peer support services, including but not limited to drop-in centers and paid peer
13 support;

14 (I) Provide transportation supports; and

15 (J) Coordinate services among the criminal and juvenile justice systems, adult and juvenile
16 corrections systems and local mental health programs to ensure that persons with mental illness
17 who come into contact with the justice and corrections systems receive needed care and to ensure
18 continuity of services for adults and juveniles leaving the corrections system.

19 (d) When developing a local plan, a local mental health authority shall:

20 (A) Coordinate with the budgetary cycles of state and local governments that provide the local
21 mental health authority with funding for mental health services;

22 (B) Involve consumers, advocates, families, service providers, schools and other interested par-
23 ties in the planning process;

24 (C) Coordinate with the local public safety coordinating council to address the services de-
25 scribed in paragraph (c)(J) of this subsection;

26 (D) Conduct a population based needs assessment to determine the types of services needed lo-
27 cally;

28 (E) Determine the ethnic, age-specific, cultural and diversity needs of the population served by
29 the local plan;

30 (F) Describe the anticipated outcomes of services and the actions to be achieved in the local
31 plan;

32 (G) Ensure that the local plan coordinates planning, funding and services with:

33 (i) The educational needs of children, adults and older adults;

34 (ii) Providers of social supports, including but not limited to housing, employment, transportation
35 and education; and

36 (iii) Providers of physical health and medical services;

37 (H) Describe how funds, other than state resources, may be used to support and implement the
38 local plan;

39 (I) Demonstrate ways to integrate local services and administrative functions in order to support
40 integrated service delivery in the local plan; and

41 (J) Involve the local mental health advisory committees described in subsection [(8)] (7) of this
42 section.

43 (e) The local plan must describe how the local mental health authority will ensure the delivery
44 of and be accountable for clinically appropriate services in a continuum of care based on consumer
45 needs. The local plan shall include, but not be limited to, services providing the following levels of

1 care:

- 2 (A) Twenty-four-hour crisis services;
- 3 (B) Secure and nonsecure extended psychiatric care;
- 4 (C) Secure and nonsecure acute psychiatric care;
- 5 (D) Twenty-four-hour supervised structured treatment;
- 6 (E) Psychiatric day treatment;
- 7 (F) Treatments that maximize client independence;
- 8 (G) Family and peer support and self-help services;
- 9 (H) Support services;
- 10 (I) Prevention and early intervention services;
- 11 (J) Transition assistance between levels of care;
- 12 (K) Dual diagnosis services;
- 13 (L) Access to placement in state-funded psychiatric hospital beds;
- 14 (M) Precommitment and civil commitment in accordance with ORS chapter 426; and
- 15 (N) Outreach to older adults at locations appropriate for making contact with older adults, in-
- 16 cluding senior centers, long term care facilities and personal residences.

17 (f) In developing the part of the local plan referred to in paragraph (c)(J) of this subsection, the
 18 local mental health authority shall collaborate with the local public safety coordinating council to
 19 address the following:

- 20 (A) Training for all law enforcement officers on ways to recognize and interact with persons
 21 with mental illness, for the purpose of diverting them from the criminal and juvenile justice systems;
- 22 (B) Developing voluntary locked facilities for crisis treatment and follow-up as an alternative
 23 to custodial arrests;
- 24 (C) Developing a plan for sharing a daily jail and juvenile detention center custody roster and
 25 the identity of persons of concern and offering mental health services to those in custody;
- 26 (D) Developing a voluntary diversion program to provide an alternative for persons with mental
 27 illness in the criminal and juvenile justice systems; and
- 28 (E) Developing mental health services, including housing, for persons with mental illness prior
 29 to and upon release from custody.

30 (g) Services described in the local plan shall:

- 31 (A) Address the vision, values and guiding principles described in the Report to the Governor
 32 from the Mental Health Alignment Workgroup, January 2001;
- 33 (B) Be provided to children, older adults and families as close to their homes as possible;
- 34 (C) Be culturally appropriate and competent;
- 35 (D) Be, for children, older adults and adults with mental health needs, from providers appropri-
 36 ate to deliver those services;
- 37 (E) Be delivered in an integrated service delivery system with integrated service sites or pro-
 38 cesses, and with the use of integrated service teams;
- 39 (F) Ensure consumer choice among a range of qualified providers in the community;
- 40 (G) Be distributed geographically;
- 41 (H) Involve consumers, families, clinicians, children and schools in treatment as appropriate;
- 42 (I) Maximize early identification and early intervention;
- 43 (J) Ensure appropriate transition planning between providers and service delivery systems, with
 44 an emphasis on transition between children and adult mental health services;
- 45 (K) Be based on the ability of a client to pay;

- 1 (L) Be delivered collaboratively;
- 2 (M) Use age-appropriate, research-based quality indicators;
- 3 (N) Use best-practice innovations; and
- 4 (O) Be delivered using a community-based, multisystem approach.

5 (h) A local mental health authority shall submit to the Oregon Health Authority a copy of the
6 local plan and biennial revisions adopted under paragraph (b) of this subsection at time intervals
7 established by the authority.

8 (i) Each local commission on children and families shall reference the local plan for the delivery
9 of mental health services in the local coordinated comprehensive plan created pursuant to ORS
10 417.775.

11 **SECTION 162.** ORS 430.630, as amended by section 23, chapter 856, Oregon Laws 2009, is
12 amended to read:

13 430.630. (1) In addition to any other requirements that may be established by rule by the Oregon
14 Health Authority, each community mental health program [*and community developmental disabilities*
15 *program*], subject to the availability of funds, shall provide the following basic services to persons
16 with [*mental retardation, developmental disabilities,*] alcoholism or drug dependence, and persons who
17 are alcohol or drug abusers:

- 18 (a) Outpatient services;
- 19 (b) Aftercare for persons released from hospitals [*and training centers*];
- 20 (c) Training, case and program consultation and education for community agencies, related
21 professions and the public;
- 22 (d) Guidance and assistance to other human service agencies for joint development of prevention
23 programs and activities to reduce factors causing [*mental retardation, developmental disabilities,*] al-
24 cohol abuse, alcoholism, drug abuse and drug dependence; and
- 25 (e) Age-appropriate treatment options for older adults.

26 (2) As alternatives to state hospitalization, it is the responsibility of the community mental
27 health [*or community developmental disabilities*] program to ensure that, subject to the availability
28 of funds, the following services for persons with [*mental retardation, developmental disabilities,*]
29 alcoholism or drug dependence, and persons who are alcohol or drug abusers, are available when
30 needed and approved by the Oregon Health Authority:

- 31 (a) Emergency services on a 24-hour basis, such as telephone consultation, crisis intervention
32 and prehospital screening examination;
- 33 (b) Care and treatment for a portion of the day or night, which may include day treatment
34 centers, work activity centers and [*preschool*] **after-school** programs;
- 35 (c) Residential care and treatment in facilities such as halfway houses, detoxification centers
36 and other community living facilities;
- 37 (d) Continuity of care, such as that provided by service coordinators, community case develop-
38 ment specialists and core staff of federally assisted community mental health centers;
- 39 (e) Inpatient treatment in community hospitals; and
- 40 (f) Other alternative services to state hospitalization as defined by [*the Department of Human*
41 *Services or*] the Oregon Health Authority.

42 (3) In addition to any other requirements that may be established by rule of the Oregon Health
43 Authority, each community mental health program, subject to the availability of funds, shall provide
44 or ensure the provision of the following services to persons with mental or emotional disturbances:

- 45 (a) Screening and evaluation to determine the client's service needs;

1 (b) Crisis stabilization to meet the needs of persons with acute mental or emotional disturbances,
 2 including the costs of investigations and prehearing detention in community hospitals or other fa-
 3 cilities approved by the authority for persons involved in involuntary commitment procedures;

4 (c) Vocational and social services that are appropriate for the client’s age, designed to improve
 5 the client’s vocational, social, educational and recreational functioning;

6 (d) Continuity of care to link the client to housing and appropriate and available health and
 7 social service needs;

8 (e) Psychiatric care in state and community hospitals, subject to the provisions of subsection (4)
 9 of this section;

10 (f) Residential services;

11 (g) Medication monitoring;

12 (h) Individual, family and group counseling and therapy;

13 (i) Public education and information;

14 (j) Prevention of mental or emotional disturbances and promotion of mental health;

15 (k) Consultation with other community agencies;

16 (L) Preventive mental health services for children and adolescents, including primary prevention
 17 efforts, early identification and early intervention services. Preventive services should be patterned
 18 after service models that have demonstrated effectiveness in reducing the incidence of emotional,
 19 behavioral and cognitive disorders in children. As used in this paragraph:

20 (A) “Early identification” means detecting emotional disturbance in its initial developmental
 21 stage;

22 (B) “Early intervention services” for children at risk of later development of emotional disturb-
 23 ances means programs and activities for children and their families that promote conditions, oppor-
 24 tunities and experiences that encourage and develop emotional stability, self-sufficiency and
 25 increased personal competence; and

26 (C) “Primary prevention efforts” means efforts that prevent emotional problems from occurring
 27 by addressing issues early so that disturbances do not have an opportunity to develop; and

28 (m) Preventive mental health services for older adults, including primary prevention efforts,
 29 early identification and early intervention services. Preventive services should be patterned after
 30 service models that have demonstrated effectiveness in reducing the incidence of emotional and be-
 31 havioral disorders and suicide attempts in older adults. As used in this paragraph:

32 (A) “Early identification” means detecting emotional disturbance in its initial developmental
 33 stage;

34 (B) “Early intervention services” for older adults at risk of development of emotional disturb-
 35 ances means programs and activities for older adults and their families that promote conditions,
 36 opportunities and experiences that encourage and maintain emotional stability, self-sufficiency and
 37 increased personal competence and that deter suicide; and

38 (C) “Primary prevention efforts” means efforts that prevent emotional problems from occurring
 39 by addressing issues early so that disturbances do not have an opportunity to develop.

40 (4) A community mental health program shall assume responsibility for psychiatric care in state
 41 and community hospitals, as provided in subsection (3)(e) of this section, in the following circum-
 42 stances:

43 (a) The person receiving care is a resident of the county served by the program. For purposes
 44 of this paragraph, “resident” means the resident of a county in which the person maintains a current
 45 mailing address or, if the person does not maintain a current mailing address within the state, the

1 county in which the person is found, or the county in which a court-committed person with a mental
2 illness has been conditionally released.

3 (b) The person has been hospitalized involuntarily or voluntarily, pursuant to ORS 426.130 or
4 426.220, except for persons confined to the Secure Child and Adolescent Treatment Unit at Oregon
5 State Hospital, or has been hospitalized as the result of a revocation of conditional release.

6 (c) Payment is made for the first 60 consecutive days of hospitalization.

7 (d) The hospital has collected all available patient payments and third-party reimbursements.

8 (e) In the case of a community hospital, the authority has approved the hospital for the care of
9 persons with mental or emotional disturbances, the community mental health program has a con-
10 tract with the hospital for the psychiatric care of residents and a representative of the program
11 approves voluntary or involuntary admissions to the hospital prior to admission.

12 *[(5) Subject to the review and approval of the Department of Human Services, a developmental*
13 *disabilities program may initiate additional services after the services defined in this section are pro-*
14 *vided.]*

15 *[(6) (5) Subject to the review and approval of the Oregon Health Authority, a mental health*
16 *program may initiate additional services after the services defined in this section are provided.*

17 *[(7) (6) Each community mental health program [and community developmental disabilities pro-*
18 *gram] and the state hospital serving the program's geographic area shall enter into a written*
19 *agreement concerning the policies and procedures to be followed by the program and the hospital*
20 *when a patient is admitted to, and discharged from, the hospital and during the period of*
21 *hospitalization.*

22 *[(8) (7) Each community mental health program shall have a mental health advisory committee,*
23 *appointed by the board of county commissioners or the county court or, if two or more counties*
24 *have combined to provide mental health services, the boards or courts of the participating counties*
25 *or, in the case of a Native American reservation, the tribal council.*

26 *[(9) (8) A community mental health program may request and the authority may grant a waiver*
27 *regarding provision of one or more of the services described in subsection (3) of this section upon*
28 *a showing by the county and a determination by the authority that persons with mental or emotional*
29 *disturbances in that county would be better served and unnecessary institutionalization avoided.*

30 *[(10)(a) (9)(a) As used in this subsection, "local mental health authority" means one of the fol-*
31 *lowing entities:*

32 (A) The board of county commissioners of one or more counties that establishes or operates a
33 community mental health program;

34 (B) The tribal council, in the case of a federally recognized tribe of Native Americans that elects
35 to enter into an agreement to provide mental health services; or

36 (C) A regional local mental health authority *[comprised of]* **comprising** two or more boards of
37 county commissioners.

38 (b) Each local mental health authority that provides mental health services shall determine the
39 need for local mental health services and adopt a comprehensive local plan for the delivery of
40 mental health services for children, families, adults and older adults that describes the methods by
41 which the local mental health authority shall provide those services. The local mental health au-
42 thority shall review and revise the local plan biennially. The purpose of the local plan is to create
43 a blueprint to provide mental health services that are directed by and responsive to the mental
44 health needs of individuals in the community served by the local plan.

45 (c) The local plan shall identify ways to:

- 1 (A) Coordinate and ensure accountability for all levels of care described in paragraph (e) of this
 2 subsection;
- 3 (B) Maximize resources for consumers and minimize administrative expenses;
- 4 (C) Provide supported employment and other vocational opportunities for consumers;
- 5 (D) Determine the most appropriate service provider among a range of qualified providers;
- 6 (E) Ensure that appropriate mental health referrals are made;
- 7 (F) Address local housing needs for persons with mental health disorders;
- 8 (G) Develop a process for discharge from state and local psychiatric hospitals and transition
 9 planning between levels of care or components of the system of care;
- 10 (H) Provide peer support services, including but not limited to drop-in centers and paid peer
 11 support;
- 12 (I) Provide transportation supports; and
- 13 (J) Coordinate services among the criminal and juvenile justice systems, adult and juvenile
 14 corrections systems and local mental health programs to ensure that persons with mental illness
 15 who come into contact with the justice and corrections systems receive needed care and to ensure
 16 continuity of services for adults and juveniles leaving the corrections system.
- 17 (d) When developing a local plan, a local mental health authority shall:
- 18 (A) Coordinate with the budgetary cycles of state and local governments that provide the local
 19 mental health authority with funding for mental health services;
- 20 (B) Involve consumers, advocates, families, service providers, schools and other interested par-
 21 ties in the planning process;
- 22 (C) Coordinate with the local public safety coordinating council to address the services de-
 23 scribed in paragraph (c)(J) of this subsection;
- 24 (D) Conduct a population based needs assessment to determine the types of services needed lo-
 25 cally;
- 26 (E) Determine the ethnic, age-specific, cultural and diversity needs of the population served by
 27 the local plan;
- 28 (F) Describe the anticipated outcomes of services and the actions to be achieved in the local
 29 plan;
- 30 (G) Ensure that the local plan coordinates planning, funding and services with:
- 31 (i) The educational needs of children, adults and older adults;
- 32 (ii) Providers of social supports, including but not limited to housing, employment, transportation
 33 and education; and
- 34 (iii) Providers of physical health and medical services;
- 35 (H) Describe how funds, other than state resources, may be used to support and implement the
 36 local plan;
- 37 (I) Demonstrate ways to integrate local services and administrative functions in order to support
 38 integrated service delivery in the local plan; and
- 39 (J) Involve the local mental health advisory committees described in subsection [(8)] (7) of this
 40 section.
- 41 (e) The local plan must describe how the local mental health authority will ensure the delivery
 42 of and be accountable for clinically appropriate services in a continuum of care based on consumer
 43 needs. The local plan shall include, but not be limited to, services providing the following levels of
 44 care:
- 45 (A) Twenty-four-hour crisis services;

- 1 (B) Secure and nonsecure extended psychiatric care;
- 2 (C) Secure and nonsecure acute psychiatric care;
- 3 (D) Twenty-four-hour supervised structured treatment;
- 4 (E) Psychiatric day treatment;
- 5 (F) Treatments that maximize client independence;
- 6 (G) Family and peer support and self-help services;
- 7 (H) Support services;
- 8 (I) Prevention and early intervention services;
- 9 (J) Transition assistance between levels of care;
- 10 (K) Dual diagnosis services;
- 11 (L) Access to placement in state-funded psychiatric hospital beds;
- 12 (M) Precommitment and civil commitment in accordance with ORS chapter 426; and
- 13 (N) Outreach to older adults at locations appropriate for making contact with older adults, in-
- 14 cluding senior centers, long term care facilities and personal residences.

15 (f) In developing the part of the local plan referred to in paragraph (c)(J) of this subsection, the
 16 local mental health authority shall collaborate with the local public safety coordinating council to
 17 address the following:

18 (A) Training for all law enforcement officers on ways to recognize and interact with persons
 19 with mental illness, for the purpose of diverting them from the criminal and juvenile justice systems;

20 (B) Developing voluntary locked facilities for crisis treatment and follow-up as an alternative
 21 to custodial arrests;

22 (C) Developing a plan for sharing a daily jail and juvenile detention center custody roster and
 23 the identity of persons of concern and offering mental health services to those in custody;

24 (D) Developing a voluntary diversion program to provide an alternative for persons with mental
 25 illness in the criminal and juvenile justice systems; and

26 (E) Developing mental health services, including housing, for persons with mental illness prior
 27 to and upon release from custody.

28 (g) Services described in the local plan shall:

29 (A) Address the vision, values and guiding principles described in the Report to the Governor
 30 from the Mental Health Alignment Workgroup, January 2001;

31 (B) Be provided to children, older adults and families as close to their homes as possible;

32 (C) Be culturally appropriate and competent;

33 (D) Be, for children, older adults and adults with mental health needs, from providers appropri-
 34 ate to deliver those services;

35 (E) Be delivered in an integrated service delivery system with integrated service sites or pro-
 36 cesses, and with the use of integrated service teams;

37 (F) Ensure consumer choice among a range of qualified providers in the community;

38 (G) Be distributed geographically;

39 (H) Involve consumers, families, clinicians, children and schools in treatment as appropriate;

40 (I) Maximize early identification and early intervention;

41 (J) Ensure appropriate transition planning between providers and service delivery systems, with
 42 an emphasis on transition between children and adult mental health services;

43 (K) Be based on the ability of a client to pay;

44 (L) Be delivered collaboratively;

45 (M) Use age-appropriate, research-based quality indicators;

1 (N) Use best-practice innovations; and

2 (O) Be delivered using a community-based, multisystem approach.

3 (h) A local mental health authority shall submit to the Oregon Health Authority a copy of the
4 local plan and biennial revisions adopted under paragraph (b) of this subsection at time intervals
5 established by the authority.

6 (i) Each local commission on children and families shall reference the local plan for the delivery
7 of mental health services in the local coordinated comprehensive plan created pursuant to ORS
8 417.775.

9 **SECTION 163.** Section 164 of this 2011 Act is added to and made a part of ORS 430.610 to
10 **430.695.**

11 **SECTION 164.** (1) In addition to any other requirements that may be established by rule
12 by the Department of Human Services, each community developmental disabilities program,
13 subject to the availability of funds, shall provide the following basic services to persons with
14 developmental disabilities:

15 (a) Outpatient services;

16 (b) Aftercare for persons released from training centers;

17 (c) Training, case and program consultation and education for community agencies, re-
18 lated professions and the public;

19 (d) Guidance and assistance to other human service agencies for joint development of
20 programs and activities for persons with developmental disabilities; and

21 (e) Age-appropriate options for older adults.

22 (2) As alternatives to admission to a training center, it is the responsibility of the com-
23 munity developmental disabilities program to ensure that, subject to the availability of funds,
24 the following services for persons with developmental disabilities are available when needed
25 and approved by the department:

26 (a) Emergency services on a 24-hour basis, such as telephone consultation, crisis inter-
27 vention and prehospital screening examination;

28 (b) Care and treatment for a portion of the day or night, which may include day treat-
29 ment centers, work activity centers and preschool and after-school programs;

30 (c) Residential care and treatment in community living facilities; and

31 (d) Other alternative services as defined by the department.

32 (3) Subject to the review and approval of the department, a community developmental
33 disabilities program may initiate additional services after the services described in this sec-
34 tion are provided.

35 **SECTION 165.** ORS 430.632 is amended to read:

36 430.632. A local mental health authority shall submit to the Oregon Health Authority by October
37 1 of each even-numbered year a report on the implementation of the comprehensive local plan
38 adopted under ORS 430.630 [(11)] (10).

39 **SECTION 166.** ORS 430.632, as amended by section 24, chapter 856, Oregon Laws 2009, is
40 amended to read:

41 430.632. A local mental health authority shall submit to the Oregon Health Authority by October
42 1 of each even-numbered year a report on the implementation of the comprehensive local plan
43 adopted under ORS 430.630 [(10)] (9).

44 **SECTION 167.** ORS 430.640 is amended to read:

45 430.640. (1) The Oregon Health Authority, in carrying out the legislative policy declared in ORS

1 430.610, subject to the availability of funds, shall:

2 (a) Assist Oregon counties and groups of Oregon counties in the establishment and financing
3 of community mental health programs operated or contracted for by one or more counties.

4 (b) If a county declines to operate or contract for a community mental health program, contract
5 with another public agency or private corporation to provide the program. The county must be
6 provided with an opportunity to review and comment.

7 (c) In an emergency situation when no community mental health program is operating within a
8 county or when a county is unable to provide a service essential to public health and safety, operate
9 the program or service on a temporary basis.

10 (d) At the request of the tribal council of a federally recognized tribe of Native Americans,
11 contract with the tribal council for the establishment and operation of a community mental health
12 program in the same manner in which the authority contracts with a county court or board of
13 county commissioners.

14 (e) If a county agrees, contract with a public agency or private corporation for all services
15 within one or more of the following program areas:

16 (A) Mental or emotional disturbances.

17 (B) Drug abuse.

18 (C) Alcohol abuse and alcoholism.

19 (f) Approve or disapprove the biennial plan and budget information for the establishment and
20 operation of each community mental health program. Subsequent amendments to or modifications
21 of an approved plan or budget information involving more than 10 percent of the state funds pro-
22 vided for services under ORS 430.630 may not be placed in effect without prior approval of the au-
23 thority. However, an amendment or modification affecting 10 percent or less of state funds for
24 services under ORS 430.630 within the portion of the program for persons with mental or emotional
25 disturbances or within the portion for persons with alcohol or drug dependence may be made with-
26 out authority approval.

27 (g) Make all necessary and proper rules to govern the establishment and operation of community
28 mental health programs, including adopting rules defining the range and nature of the services
29 which shall or may be provided under ORS 430.630.

30 (h) Collect data and evaluate services in the state hospitals in accordance with the same meth-
31 ods prescribed for community mental health programs under ORS 430.665.

32 (i) Develop guidelines that include, for the development of comprehensive local plans in consul-
33 tation with local mental health authorities:

34 (A) The use of integrated services;

35 (B) The outcomes expected from services and programs provided;

36 (C) Incentives to reduce the use of state hospitals;

37 (D) Mechanisms for local sharing of risk for state hospitalization;

38 (E) The provision of clinically appropriate levels of care based on an assessment of the mental
39 health needs of consumers;

40 (F) The transition of consumers between levels of care; and

41 (G) The development, maintenance and continuation of older adult mental health programs with
42 mental health professionals trained in geriatrics.

43 (j) Work with local mental health authorities to provide incentives for community-based care
44 whenever appropriate while simultaneously ensuring adequate statewide capacity.

45 (k) Provide technical assistance and information regarding state and federal requirements to

1 local mental health authorities throughout the local planning process required under ORS 430.630
2 [(11)] (10).

3 (L) Provide incentives for local mental health authorities to enhance or increase vocational
4 placements for adults with mental health needs.

5 (m) Develop or adopt nationally recognized system-level performance measures, linked to the
6 Oregon Benchmarks, for state-level monitoring and reporting of mental health services for children,
7 adults and older adults, including but not limited to quality and appropriateness of services, out-
8 comes from services, structure and management of local plans, prevention of mental health disorders
9 and integration of mental health services with other needed supports.

10 (n) Develop standardized criteria for each level of care described in ORS 430.630 [(11)] (10), in-
11 cluding protocols for implementation of local plans, strength-based mental health assessment and
12 case planning.

13 (o) Develop a comprehensive long-term plan for providing appropriate and adequate mental
14 health treatment and services to children, adults and older adults that is derived from the needs
15 identified in local plans, is consistent with the vision, values and guiding principles in the Report
16 to the Governor from the Mental Health Alignment Workgroup, January 2001, and addresses the
17 need for and the role of state hospitals.

18 (p) Report biennially to the Governor and the Legislative Assembly on the progress of the local
19 planning process and the implementation of the local plans adopted under ORS 430.630 [(11)(b)]
20 (10)(b) and the state planning process described in paragraph (o) of this subsection, and on the
21 performance measures and performance data available under paragraph (m) of this subsection.

22 (q) On a periodic basis, not to exceed 10 years, reevaluate the methodology used to estimate
23 prevalence and demand for mental health services using the most current nationally recognized
24 models and data.

25 (r) Encourage the development of regional local mental health authorities comprised of two or
26 more boards of county commissioners that establish or operate a community mental health program.

27 (2) The Oregon Health Authority may provide technical assistance and other incentives to assist
28 in the planning, development and implementation of regional local mental health authorities when-
29 ever the Oregon Health Authority determines that a regional approach will optimize the compre-
30 hensive local plan described under ORS 430.630 [(11)] (10).

31 [(3) *The Department of Human Services in carrying out the legislative policy declared in ORS*
32 *430.610, subject to the availability of funds, shall:*]

33 [(a) *Assist Oregon counties and groups of Oregon counties in the establishment and financing of*
34 *community developmental disabilities programs operated or contracted for by one or more counties.*]

35 [(b) *If a county declines to operate or contract for a community developmental disabilities program,*
36 *contract with another public agency or private corporation to provide the program. The county must*
37 *be provided with an opportunity to review and comment.*]

38 [(c) *In an emergency situation when no community developmental disabilities program is operating*
39 *within a county, operate the program or service on a temporary basis.*]

40 [(d) *At the request of the tribal council of a federally recognized tribe of Native Americans, contract*
41 *with the tribal council for the establishment and operation of a community developmental disabilities*
42 *program in the same manner in which the department contracts with a county court or board of county*
43 *commissioners.*]

44 [(e) *If a county agrees, contract with a public agency or private corporation for all developmental*
45 *disabilities services.*]

1 *[(f) Operate a program or contract with another entity to operate a program to provide mental re-*
 2 *tardation and other developmental disabilities services required by ORS 430.630 if a local mental*
 3 *health authority, as defined in ORS 430.630, declines to provide or contract for the provision of mental*
 4 *retardation and other developmental disabilities services.]*

5 *[(g) Approve or disapprove the biennial plan and budget information for the establishment and*
 6 *operation of each community developmental disabilities program. Subsequent amendments to or mod-*
 7 *ifications of an approved plan or budget information involving more than 10 percent of the state funds*
 8 *provided for services under ORS 430.630 may not be placed in effect without prior approval of the de-*
 9 *partment. However, an amendment or modification affecting 10 percent or less of state funds for ser-*
 10 *vices under ORS 430.630 within the portion of the program for persons with developmental disabilities*
 11 *may be made without department approval.]*

12 *[(h) Make all necessary and proper rules to govern the establishment and operation of community*
 13 *developmental disabilities programs.]*

14 [(4)] (3) The enumeration of duties and functions in subsections (1) and (2) of this section shall
 15 not be deemed exclusive nor construed as a limitation on the powers and authority vested in *[the*
 16 *department or]* the authority by other provisions of law.

17 **SECTION 168.** ORS 430.640, as amended by section 25, chapter 856, Oregon Laws 2009, is
 18 amended to read:

19 430.640. (1) The Oregon Health Authority, in carrying out the legislative policy declared in ORS
 20 430.610, subject to the availability of funds, shall:

21 (a) Assist Oregon counties and groups of Oregon counties in the establishment and financing
 22 of community mental health programs operated or contracted for by one or more counties.

23 (b) If a county declines to operate or contract for a community mental health program, contract
 24 with another public agency or private corporation to provide the program. The county must be
 25 provided with an opportunity to review and comment.

26 (c) In an emergency situation when no community mental health program is operating within a
 27 county or when a county is unable to provide a service essential to public health and safety, operate
 28 the program or service on a temporary basis.

29 (d) At the request of the tribal council of a federally recognized tribe of Native Americans,
 30 contract with the tribal council for the establishment and operation of a community mental health
 31 program in the same manner in which the authority contracts with a county court or board of
 32 county commissioners.

33 (e) If a county agrees, contract with a public agency or private corporation for all services
 34 within one or more of the following program areas:

35 (A) Mental or emotional disturbances.

36 (B) Drug abuse.

37 (C) Alcohol abuse and alcoholism.

38 (f) Approve or disapprove the biennial plan and budget information for the establishment and
 39 operation of each community mental health program. Subsequent amendments to or modifications
 40 of an approved plan or budget information involving more than 10 percent of the state funds pro-
 41 vided for services under ORS 430.630 may not be placed in effect without prior approval of the au-
 42 thority. However, an amendment or modification affecting 10 percent or less of state funds for
 43 services under ORS 430.630 within the portion of the program for persons with mental or emotional
 44 disturbances or within the portion for persons with alcohol or drug dependence may be made with-
 45 out authority approval.

1 (g) Make all necessary and proper rules to govern the establishment and operation of community
2 mental health programs, including adopting rules defining the range and nature of the services
3 which shall or may be provided under ORS 430.630.

4 (h) Collect data and evaluate services in the state hospitals in accordance with the same meth-
5 ods prescribed for community mental health programs under ORS 430.665.

6 (i) Develop guidelines that include, for the development of comprehensive local plans in consul-
7 tation with local mental health authorities:

8 (A) The use of integrated services;

9 (B) The outcomes expected from services and programs provided;

10 (C) Incentives to reduce the use of state hospitals;

11 (D) Mechanisms for local sharing of risk for state hospitalization;

12 (E) The provision of clinically appropriate levels of care based on an assessment of the mental
13 health needs of consumers;

14 (F) The transition of consumers between levels of care; and

15 (G) The development, maintenance and continuation of older adult mental health programs with
16 mental health professionals trained in geriatrics.

17 (j) Work with local mental health authorities to provide incentives for community-based care
18 whenever appropriate while simultaneously ensuring adequate statewide capacity.

19 (k) Provide technical assistance and information regarding state and federal requirements to
20 local mental health authorities throughout the local planning process required under ORS 430.630
21 [(10)] **(9)**.

22 (L) Provide incentives for local mental health authorities to enhance or increase vocational
23 placements for adults with mental health needs.

24 (m) Develop or adopt nationally recognized system-level performance measures, linked to the
25 Oregon Benchmarks, for state-level monitoring and reporting of mental health services for children,
26 adults and older adults, including but not limited to quality and appropriateness of services, out-
27 comes from services, structure and management of local plans, prevention of mental health disorders
28 and integration of mental health services with other needed supports.

29 (n) Develop standardized criteria for each level of care described in ORS 430.630 [(10)] **(9)**, in-
30 cluding protocols for implementation of local plans, strength-based mental health assessment and
31 case planning.

32 (o) Develop a comprehensive long-term plan for providing appropriate and adequate mental
33 health treatment and services to children, adults and older adults that is derived from the needs
34 identified in local plans, is consistent with the vision, values and guiding principles in the Report
35 to the Governor from the Mental Health Alignment Workgroup, January 2001, and addresses the
36 need for and the role of state hospitals.

37 (p) Report biennially to the Governor and the Legislative Assembly on the progress of the local
38 planning process and the implementation of the local plans adopted under ORS 430.630 [(10)(b)]
39 **(9)(b)** and the state planning process described in paragraph (o) of this subsection, and on the per-
40 formance measures and performance data available under paragraph (m) of this subsection.

41 (q) On a periodic basis, not to exceed 10 years, reevaluate the methodology used to estimate
42 prevalence and demand for mental health services using the most current nationally recognized
43 models and data.

44 (r) Encourage the development of regional local mental health authorities comprised of two or
45 more boards of county commissioners that establish or operate a community mental health program.

1 (2) The Oregon Health Authority may provide technical assistance and other incentives to assist
 2 in the planning, development and implementation of regional local mental health authorities when-
 3 ever the Oregon Health Authority determines that a regional approach will optimize the compre-
 4 hensive local plan described under ORS 430.630 [(10)] (9).

5 [(3) *The Department of Human Services in carrying out the legislative policy declared in ORS*
 6 *430.610, subject to the availability of funds, shall:*]

7 [(a) *Assist Oregon counties and groups of Oregon counties in the establishment and financing of*
 8 *community developmental disabilities programs operated or contracted for by one or more counties.*]

9 [(b) *If a county declines to operate or contract for a community developmental disabilities program,*
 10 *contract with another public agency or private corporation to provide the program. The county must*
 11 *be provided with an opportunity to review and comment.*]

12 [(c) *In an emergency situation when no community developmental disabilities program is operating*
 13 *within a county, operate the program or service on a temporary basis.*]

14 [(d) *At the request of the tribal council of a federally recognized tribe of Native Americans, contract*
 15 *with the tribal council for the establishment and operation of a community developmental disabilities*
 16 *program in the same manner in which the department contracts with a county court or board of county*
 17 *commissioners.*]

18 [(e) *If a county agrees, contract with a public agency or private corporation for all developmental*
 19 *disabilities services.*]

20 [(f) *Operate a program or contract with another entity to operate a program to provide mental re-*
 21 *tardation and other developmental disabilities services required by ORS 430.630 if a local mental*
 22 *health authority, as defined in ORS 430.630, declines to provide or contract for the provision of mental*
 23 *retardation and other developmental disabilities services.*]

24 [(g) *Approve or disapprove the biennial plan and budget information for the establishment and*
 25 *operation of each community developmental disabilities program. Subsequent amendments to or mod-*
 26 *ifications of an approved plan or budget information involving more than 10 percent of the state funds*
 27 *provided for services under ORS 430.630 may not be placed in effect without prior approval of the de-*
 28 *partment. However, an amendment or modification affecting 10 percent or less of state funds for ser-*
 29 *vices under ORS 430.630 within the portion of the program for persons with developmental disabilities*
 30 *may be made without department approval.*]

31 [(h) *Make all necessary and proper rules to govern the establishment and operation of community*
 32 *developmental disabilities programs.*]

33 [(4)] (3) The enumeration of duties and functions in subsections (1) and (2) of this section shall
 34 not be deemed exclusive nor construed as a limitation on the powers and authority vested in [*the*
 35 *department or*] the authority by other provisions of law.

36 **SECTION 169. (1) The Department of Human Services in carrying out the legislative**
 37 **policy declared in ORS 430.610, subject to the availability of funds, shall:**

38 (a) **Assist Oregon counties and groups of Oregon counties in the establishment and fi-**
 39 **nancing of community developmental disabilities programs operated or contracted for by one**
 40 **or more counties.**

41 (b) **If a county declines to operate or contract for a community developmental disabilities**
 42 **program, contract with another public agency or private corporation to provide the program.**
 43 **The county must be provided with an opportunity to review and comment.**

44 (c) **In an emergency situation when no community developmental disabilities program is**
 45 **operating within a county, operate the program or service on a temporary basis.**

1 (d) At the request of the tribal council of a federally recognized tribe of Native Ameri-
 2 cans, contract with the tribal council for the establishment and operation of a community
 3 developmental disabilities program in the same manner in which the department contracts
 4 with a county court or board of county commissioners.

5 (e) If a county agrees, contract with a public agency or private corporation for all de-
 6 velopmental disabilities services.

7 (f) Approve or disapprove the biennial plan and budget information for the establishment
 8 and operation of each community developmental disabilities program. Subsequent amend-
 9 ments to or modifications of an approved plan or budget information involving more than 10
 10 percent of the state funds provided for services under section 164 of this 2011 Act may not
 11 be placed in effect without prior approval of the department. However, an amendment or
 12 modification affecting 10 percent or less of state funds for services under section 164 of this
 13 2011 Act within the portion of the program for persons with developmental disabilities may
 14 be made without department approval.

15 (g) Make all necessary and proper rules to govern the establishment and operation of
 16 community developmental disabilities programs.

17 (2) The enumeration of duties and functions in subsection (1) of this section may not be
 18 deemed exclusive or construed as a limitation on the powers and authority vested in the
 19 department by other provisions of law.

20 **SECTION 170.** ORS 430.670 is amended to read:

21 430.670. (1) A community developmental disabilities program may provide services by contract-
 22 ing with a public agency, private corporation or individual. All elements of service provided for in
 23 the contract shall be considered as a part of a community developmental disabilities program for
 24 all purposes of ORS 430.610 to 430.695. Contracts authorized by this section shall comply with rules
 25 adopted by the Department of Human Services.

26 (2) A community mental health program may provide services by contracting with a public
 27 agency, private corporation or individual. All elements of service provided for in the contract shall
 28 be considered as a part of a community mental health program for all purposes of ORS 430.610 to
 29 430.695. Contracts authorized by this section shall comply with rules adopted by the Oregon Health
 30 Authority.

31 (3) A private corporation that contracts with a county, the Department of Human Services or
 32 the Oregon Health Authority to operate a community mental health program or community devel-
 33 opmental disabilities program shall provide an opportunity for competition among private care pro-
 34 viders when awarding subcontracts for provision of services described in ORS 430.630 (1) to (3) **and**
 35 **section 164 (1) and (2) of this 2011 Act.**

36 (4) In keeping with the principles of family support expressed in ORS 417.342 and
 37 notwithstanding subsection (3) of this section or ORS 291.047 (3), an entity operating a community
 38 mental health program or community developmental disabilities program may purchase services for
 39 an individual from a service provider without first providing an opportunity for competition among
 40 other service providers if the service provider is selected by the individual, the individual's family
 41 or the individual's guardian, as long as the service provider has been approved by the department
 42 or the authority to provide such service.

43 **SECTION 171.** ORS 430.672 is amended to read:

44 430.672. (1) Except for community mental health programs or community developmental disabil-
 45 ities programs operated by the county, a county may impose only standards, requirements and con-

1 ditions for mental health or developmental disabilities programs that are substantially similar to the
 2 standards, requirements and conditions established for such programs by the Department of Human
 3 Services or the Oregon Health Authority.

4 (2) When a county contracts with a public agency or private corporation for a community men-
 5 tal health program or community developmental disabilities program, the county shall include in the
 6 contract only terms that are substantially similar to model contract terms developed by [*the de-*
 7 *partment under ORS 430.640 (3)(h) or*] the authority under ORS 430.640 [(1)(g)] **or the department**
 8 **under section 169 of this 2011 Act.** The county may not add contractual requirements, including
 9 qualifications for contractor selection, that are nonessential to the services provided under ORS
 10 430.630 **or section 164 of this 2011 Act.** The county may add contract requirements that the county
 11 considers necessary to ensure the siting and maintenance of facilities of the community mental
 12 health program or community developmental disabilities program.

13 (3) The provisions of subsections (1) and (2) of this section apply only insofar as funds are pro-
 14 vided by the department to the county for community developmental disabilities programs or by the
 15 authority to the county for community mental health programs.

16 **SECTION 172.** ORS 430.695 is amended to read:

17 430.695. (1) Any program fees, third-party reimbursements, contributions or funds from any
 18 source, except client resources applied toward the cost of care in group homes for persons with
 19 [*mental retardation*] **developmental disabilities** or mental illness and client resources and third-
 20 party payments for community psychiatric inpatient care, received by a community mental health
 21 program **or a community developmental disabilities program** are not an offset to the costs of the
 22 services and may not be applied to reduce the program's eligibility for state funds, providing the
 23 funds are expended for mental health **or developmental disabilities** services approved by the
 24 Oregon Health Authority **or the Department of Human Services.**

25 (2) Within the limits of available funds, the authority **and the department** may contract for
 26 specialized, statewide and regional services including but not limited to group homes for persons
 27 with [*mental retardation*] **developmental disabilities** or mental or emotional disturbances, day and
 28 residential treatment programs for children and adolescents with mental or emotional disturbances
 29 and community services for clients of the Psychiatric Security Review Board.

30 (3) Fees and third-party reimbursements, including all amounts paid pursuant to Title XIX of the
 31 Social Security Act by the Department of Human Services or the Oregon Health Authority, for
 32 mental health services or developmental disabilities services and interest earned on those fees and
 33 reimbursements shall be retained by the community mental health program or community develop-
 34 mental disabilities program and expended for any service that meets the standards of ORS 430.630
 35 **or section 164 of this 2011 Act.**

36 **SECTION 173.** ORS 431.195 is amended to read:

37 431.195. (1) There is established the Oregon Public Health Advisory Board to serve as an advi-
 38 sory body to the Oregon Health [*Policy Board*] **Authority.**

39 (2) The members of the [*Oregon Public Health Advisory*] board shall be residents of this state
 40 and shall be appointed by the Governor. The [*Oregon Public Health Advisory*] board shall consist
 41 of 15 members at least one-half of whom shall be public members broadly representing the state as
 42 a whole and the others to include representatives of local government and public and private health
 43 providers.

44 (3) The [*Oregon Public Health Advisory*] board shall:

45 (a) Advise the [*Oregon Health Policy Board*] **authority** on policy matters related to [*the opera-*

1 *tion of the Oregon Health Authority*] **public health programs.**

2 (b) Provide a review of statewide public health issues and make recommendations to the [*Oregon*
3 *Health Policy Board*] **authority.**

4 (c) Participate in public health policy development.

5 (4) Members shall be appointed for four-year terms. No person shall serve more than two con-
6 secutive terms.

7 (5) The [*Oregon Public Health Advisory*] board shall meet at least quarterly.

8 (6) Members of the [*Oregon Public Health Advisory*] board shall be entitled to compensation and
9 expenses as provided in ORS 292.495.

10 (7) Vacancies on the [*Oregon Public Health Advisory*] board shall be filled by appointments of
11 the Governor for the unexpired term.

12 **SECTION 174.** ORS 431.962 is amended to read:

13 431.962. (1)(a) The [*Department of Human Services*] **Oregon Health Authority**, in consultation
14 with the Prescription Monitoring Program Advisory Commission, shall establish and maintain a
15 prescription monitoring program for monitoring and reporting prescription drugs dispensed by
16 pharmacies in Oregon that are classified in schedules II through IV under the federal Controlled
17 Substances Act, 21 U.S.C. 811 and 812, as modified under ORS 475.035.

18 (b)(A) To fulfill the requirements of this subsection, the [*department*] **authority** shall establish,
19 maintain and operate an electronic system to monitor and report drugs described in paragraph (a)
20 of this subsection that are dispensed by prescription.

21 (B) The system must operate and be accessible by practitioners and pharmacies 24 hours a day,
22 seven days a week.

23 (C) The [*department*] **authority** may contract with a state agency or private entity to ensure the
24 effective operation of the electronic system.

25 (2) In consultation with the commission, the [*department*] **authority** shall adopt rules for the
26 operation of the electronic prescription monitoring program established under subsection (1) of this
27 section, including but not limited to standards for:

28 (a) Reporting data;

29 (b) Providing maintenance, security and disclosure of data;

30 (c) Ensuring accuracy and completeness of data;

31 (d) Complying with the federal Health Insurance Portability and Accountability Act of 1996 (P.L.
32 104-191) and regulations adopted under it, including 45 C.F.R. parts 160 and 164, federal alcohol and
33 drug treatment confidentiality laws and regulations adopted under those laws, including 42 C.F.R.
34 part 2, and state health and mental health confidentiality laws, including ORS 179.505, 192.517 and
35 192.518 to 192.529;

36 (e) Ensuring accurate identification of persons or entities requesting information from the da-
37 tabase;

38 (f) Accepting printed or nonelectronic reports from pharmacies that do not have the capability
39 to provide electronic reports; and

40 (g) Notifying a patient, before or when a drug classified in schedules II through IV is dispensed
41 to the patient, about the prescription monitoring program and the entry of the prescription in the
42 system.

43 (3) The [*department*] **authority** shall submit an annual report to the commission regarding the
44 prescription monitoring program established under this section.

45 **SECTION 175.** ORS 431.964 is amended to read:

1 431.964. (1) Not later than one week after dispensing a prescription drug subject to the pre-
 2 scription monitoring program established under ORS 431.962, a pharmacy shall electronically report
 3 to the [Department of Human Services] **Oregon Health Authority** the:

- 4 (a) Name, address and date of birth of the patient;
- 5 (b) Identification of the pharmacy dispensing the prescription drug;
- 6 (c) Identification of the practitioner who prescribed the drug;
- 7 (d) Identification of the prescription drug by a national drug code number;
- 8 (e) Date of origin of the prescription;
- 9 (f) Date the drug was dispensed; and
- 10 (g) Quantity of drug dispensed.

11 (2) Notwithstanding subsection (1) of this section, the [department] **authority** may not:

12 (a) Require the reporting of prescription drugs administered directly to a patient or dispensed
 13 pursuant to ORS 127.800 to 127.897; or

14 (b) Collect or use Social Security numbers in the prescription monitoring program.

15 (3) Upon receipt of the data reported pursuant to subsection (1) of this section, the
 16 [department] **authority** shall record the data in the electronic system operated pursuant to the pre-
 17 scription monitoring program.

18 (4)(a) The [department] **authority** may grant a pharmacy a waiver of the electronic submission
 19 requirement of subsection (1) of this section for good cause as determined by the [department] **au-**
 20 **thority**. The waiver shall state the format, method and frequency of the alternate nonelectronic
 21 submissions from the pharmacy and the duration of the waiver.

22 (b) As used in this subsection, "good cause" includes financial hardship.

23 (5) This section does not apply to pharmacies in institutions as defined in ORS 179.010.

24 **SECTION 176.** ORS 431.966 is amended to read:

25 431.966. (1)(a) Except as provided under subsection (2) of this section, prescription monitoring
 26 information submitted under ORS 431.964 to the prescription monitoring program established in ORS
 27 431.962:

28 (A) Is protected health information under ORS 192.518 to 192.529.

29 (B) Is not subject to disclosure pursuant to ORS 192.410 to 192.505.

30 (b) Except as provided under subsection (2)(a)(D) of this section, prescription monitoring infor-
 31 mation submitted under ORS 431.964 to the prescription monitoring program may not be used to
 32 evaluate a practitioner's professional practice.

33 (2)(a) If a disclosure of prescription monitoring information complies with the federal Health
 34 Insurance Portability and Accountability Act of 1996 (P.L. 104-191) and regulations adopted under
 35 it, including 45 C.F.R. parts 160 and 164, federal alcohol and drug treatment confidentiality laws and
 36 regulations adopted under those laws, including 42 C.F.R. part 2, and state health and mental health
 37 confidentiality laws, including ORS 179.505, 192.517 and 192.518 to 192.529, the [Department of Hu-
 38 man Services] **Oregon Health Authority** shall disclose the information:

39 (A) To a practitioner or pharmacist who certifies that the requested information is for the pur-
 40 pose of evaluating the need for or providing medical or pharmaceutical treatment for a patient to
 41 whom the practitioner or pharmacist anticipates providing, is providing or has provided care.

42 (B) To designated representatives of the [department] **authority** or any vendor or contractor
 43 with whom the [department] **authority** has contracted to establish or maintain the electronic system
 44 of the prescription monitoring program.

45 (C) Pursuant to a valid court order based on probable cause and issued at the request of a fed-

1 eral, state or local law enforcement agency engaged in an authorized drug-related investigation in-
2 volving a person to whom the requested information pertains.

3 (D) To a health professional regulatory board that certifies in writing that the requested infor-
4 mation is necessary for an investigation related to licensure, renewal or disciplinary action involv-
5 ing the applicant, licensee or registrant to whom the requested information pertains.

6 (E) To a prescription monitoring program of another state if the confidentiality, security and
7 privacy standards of the requesting state are determined by the *[department]* **authority** to be
8 equivalent to those of the *[department]* **authority**.

9 (b) The *[department]* **authority** may disclose information from the prescription monitoring pro-
10 gram that does not identify a patient, practitioner or drug outlet:

11 (A) For educational, research or public health purposes; and

12 (B) To officials of the *[department]* **authority** who are conducting special epidemiologic
13 morbidity and mortality studies in accordance with ORS 432.060 and rules adopted under ORS
14 431.110.

15 (c) The *[department]* **authority** shall disclose information relating to a patient maintained in the
16 electronic system operated pursuant to the prescription monitoring program established under ORS
17 431.962 to that patient at no cost to the patient within 10 business days after the *[department]* **au-**
18 **thority** receives a request from the patient for the information.

19 (d)(A) A patient may request the *[department]* **authority** to correct any information about the
20 patient that is erroneous. The *[department]* **authority** shall grant or deny a request to correct in-
21 formation within 10 business days after the *[department]* **authority** receives the request.

22 (B) If the *[department]* **authority** denies a patient's request to correct information under this
23 paragraph, or fails to grant a patient's request to correct information under this paragraph within
24 10 business days after the *[department]* **authority** receives the request, the patient may appeal the
25 denial or failure to grant the request. Upon receipt of an appeal under this subparagraph, the *[de-*
26 *partment]* **authority** shall conduct a contested case hearing as provided in ORS chapter 183.
27 Notwithstanding ORS 183.450, in the contested case hearing, the *[department]* **authority** has the
28 burden of establishing that the information included in the prescription monitoring program is cor-
29 rect.

30 (e) The information in the prescription monitoring program may not be used for any commercial
31 purpose.

32 (f) In accordance with ORS 192.518 to 192.529 and federal privacy regulations, any person au-
33 thorized to prescribe or dispense a prescription drug and who is entitled to access a patient's pre-
34 scription monitoring information may discuss or release the information to other health care
35 providers involved with the patient's care, in order to provide safe and appropriate care coordi-
36 nation.

37 (3)(a) The *[department]* **authority** shall maintain records of the information disclosed through
38 the prescription monitoring program including, but not limited to:

39 (A) The identity of each person who requests or receives information from the program and the
40 organization, if any, the person represents;

41 (B) The information released to each person or organization; and

42 (C) The date and time the information was requested and the date and time the information was
43 provided.

44 (b) Records maintained as required by this subsection may be reviewed by the Prescription
45 Monitoring Program Advisory Commission.

1 (4) Information in the prescription monitoring program that identifies an individual patient must
2 be removed no later than three years from the date the information is entered into the program.

3 (5) The *[department]* **authority** shall notify the Attorney General and each affected individual
4 of an improper disclosure of information from the prescription monitoring program.

5 (6)(a) If the *[department]* **authority** or a person or entity required to report or authorized to
6 receive or release controlled substance prescription information under this section violates **this**
7 **section or** ORS 431.964[, 431.966] or 431.968, a person injured by the violation may bring a civil
8 action against the *[department]* **authority**, person or entity and may recover damages in the amount
9 of \$1,000 or actual damages, whichever is greater.

10 (b) Notwithstanding paragraph (a) of this subsection, the *[department]* **authority** and a person
11 or entity required to report or authorized to receive or release controlled substance prescription
12 information under this section are immune from civil liability for violations of **this section or** ORS
13 431.964[, 431.966] or 431.968 unless the *[department]* **authority**, person or entity acts with malice,
14 criminal intent, gross negligence, recklessness or willful intent.

15 (7) Nothing in ORS 431.962 to 431.978 and 431.992 requires a practitioner or pharmacist who
16 prescribes or dispenses a prescription drug to obtain information about a patient from the pre-
17 scription monitoring program. A practitioner or pharmacist who prescribes or dispenses a pre-
18 scription drug may not be held liable for damages in any civil action on the basis that the
19 practitioner or pharmacist did or did not request or obtain information from the prescription moni-
20 toring program.

21 **SECTION 177.** ORS 431.970 is amended to read:

22 431.970. *[The Department of Human Services shall report]* **If** a practitioner or pharmacist au-
23 thorized to obtain controlled substance prescription information from the prescription monitoring
24 system established under ORS 431.962 *[who]* discloses or uses information obtained from the system
25 in violation of ORS 431.966, **the Oregon Health Authority shall report the individual to the ap-**
26 **propriate** health professional regulatory board *[responsible for the practitioner or pharmacist]*.

27 **SECTION 178.** ORS 431.974 is amended to read:

28 431.974. (1) The Electronic Prescription Monitoring Fund is established in the State Treasury,
29 separate and distinct from the General Fund. The Electronic Prescription Monitoring Fund consists
30 of moneys transmitted to the fund under ORS 431.972 and any other moneys deposited in accordance
31 with law. Interest earned by the fund shall be credited to the fund. Moneys in the fund are contin-
32 uously appropriated to the *[Department of Human Services]* **Oregon Health Authority** for the pur-
33 pose of carrying out the provisions of ORS 431.962 to 431.978 and 431.992.

34 (2) The *[Department of Human Services]* **authority** may accept grants, donations, gifts or moneys
35 from any source for deposit into the fund established by this section.

36 **SECTION 179.** ORS 431.976 is amended to read:

37 431.976. (1) The Prescription Monitoring Program Advisory Commission is created for the pur-
38 poses of:

39 (a) Studying issues related to the prescription monitoring program established under ORS
40 431.962;

41 (b) Reviewing the program's annual report and making recommendations to the *[Department of*
42 *Human Services]* **Oregon Health Authority** regarding the operation of the program; and

43 (c) Developing criteria *[that should be]* used to evaluate program data.

44 (2) The commission shall consist of 11 members appointed by the *[department]* **authority** as fol-
45 lows:

- 1 (a) A person nominated by the Pain Management Commission;
- 2 (b) A person who dispenses controlled substances nominated by an association representing
- 3 pharmacists;
- 4 (c) A practicing dentist nominated by an association representing dentists;
- 5 (d) A practicing physician nominated by an association representing physicians;
- 6 (e) A practicing doctor of osteopathy nominated by an association representing osteopathic
- 7 physicians and surgeons;
- 8 (f) A nurse authorized to prescribe controlled substances nominated by an association repre-
- 9 senting nurses;
- 10 (g) A practicing naturopathic physician nominated by an association representing naturopathic
- 11 physicians;
- 12 (h) A practicing optometrist, nominated by an association representing optometrists;
- 13 (i) [A person nominated by the department from a division of the department responsible for] **A**
- 14 **representative of the authority with expertise in** administering addiction services; and
- 15 (j) Two members of the public [nominated by the department], one of whom must be an expert in
- 16 information technology.

17 **SECTION 180.** ORS 431.978 is amended to read:

18 431.978. (1) The term of office of each member of the Prescription Monitoring Program Advisory

19 Commission is four years, but a member serves at the pleasure of the [Department of Human

20 Services] **Oregon Health Authority**. Before the expiration of the term of a member, the

21 [department] **authority** shall appoint a successor whose term begins on July 1 next following. A

22 member is eligible for reappointment. If there is a vacancy for any cause, the [department] **authority**

23 shall make an appointment to become immediately effective.

24 (2) The commission shall elect one of its members to serve as chairperson.

25 (3) The commission shall meet at least once annually at a time and place specified by the

26 chairperson of the commission. The commission may meet at other times and places specified by the

27 call of the chairperson or of a majority of the members of the commission.

28 (4) The commission may adopt rules necessary for the operation of the commission.

29 (5) A majority of the members of the commission constitutes a quorum for the transaction of

30 business.

31 (6) Official action by the commission requires the approval of a majority of the members of the

32 commission.

33 (7) The [department] **authority** shall provide staff support to the commission.

34 (8) Members of the commission are not entitled to compensation, but may be reimbursed for

35 actual and necessary travel and other expenses incurred by them in the performance of their official

36 duties in the manner and amounts provided for in ORS 292.495. Claims for expenses incurred in

37 performing functions of the commission shall be paid out of funds appropriated to the [department]

38 **authority** for that purpose.

39 (9) All agencies of state government, as defined in ORS 174.111, are directed to assist the com-

40 mission in the performance of its duties and, to the extent permitted by laws relating to

41 confidentiality, to furnish such information and advice as the members of the commission consider

42 necessary to perform their duties.

43 **SECTION 181.** ORS 432.500 is amended to read:

44 432.500. As used in ORS 432.510 to 432.550 and 432.900:

- 45 (1) "Clinical laboratory" means a facility where microbiological, serological, chemical,

1 hematological, immunohematological, immunological, toxicological, cytogenetical, exfoliative
 2 cytological, histological, pathological or other examinations are performed on material derived from
 3 the human body, for the purpose of diagnosis, prevention of disease or treatment of patients by
 4 physicians, dentists and other persons who are authorized by license to diagnose or treat humans.

5 [(2) "*Department*" means the *Department of Human Services* or its authorized representative.]

6 [(3)] (2) "Health care facility" means a hospital, as defined in ORS 442.015, or an ambulatory
 7 surgical center, as defined in ORS 442.015.

8 [(4)] (3) "Practitioner" means any person whose professional license allows the person to diag-
 9 nose or treat cancer in patients.

10 **SECTION 182.** ORS 433.055 is amended to read:

11 433.055. (1) The Oregon Health Authority shall conduct studies of the prevalence of the HIV
 12 infection in this state. Its findings shall be reported to the **Oregon** Public Health Advisory Board,
 13 the Conference of Local Health Officials, the Emergency Board and other interested bodies at reg-
 14 ular intervals, commencing in January 1988. The authority may cause the prevalence study of per-
 15 sons sentenced to the Department of Corrections of this state, as defined in ORS 421.005, to be made.

16 (2) The authority shall contract with an appropriate education agency to prepare a curriculum
 17 regarding HIV infection, acquired immune deficiency syndrome (AIDS) and prevention of the spread
 18 of AIDS for all school districts and offer workshops to prepare teachers and parents to implement
 19 the curriculum. The authority shall award incentive grants from funds available therefor to school
 20 districts to encourage use of the curriculum in the schools.

21 (3) Prior informed consent to HIV antibody testing need not be obtained from an individual if
 22 the test is for the purpose of research as authorized by the authority and if the testing is performed
 23 in a manner by which the identity of the test subject is not known, and may not be retrieved by the
 24 researcher.

25 **SECTION 183.** ORS 433.060 is amended to read:

26 433.060. As used in ORS 433.060 to 433.085 unless the context requires otherwise:

27 (1) "Authority" means the Oregon Health Authority.

28 (2) "Health care facility" means a facility as defined in ORS 442.015 and a mental health facility,
 29 alcohol treatment facility or drug treatment facility licensed or operated under ORS chapter 426
 30 [*and 430.397 to 430.401*] or [*ORS chapter*] 430.

31 (3) "Hepatitis test" means a test of an individual for the presence of hepatitis B or C or for any
 32 other substance specifically indicating the presence of hepatitis B or C.

33 (4) "HIV test" means a test of an individual for the presence of human immunodeficiency virus
 34 (HIV), or for antibodies or antigens that result from HIV infection, or for any other substance spe-
 35 cifically indicating infection with HIV.

36 (5) "Licensed health care provider" or "health care provider" means a person licensed or certi-
 37 fied to provide health care under ORS chapter 677, 678, 679, 680, 684 or 685 or ORS 682.216, or
 38 under comparable statutes of any other state.

39 (6) "Local public health administrator" means the public health administrator of the county or
 40 district health department for the jurisdiction in which the reported substantial exposure occurred.

41 (7) "Local public health officer" means the health officer, as described in ORS 431.418, of the
 42 county or district health department for the jurisdiction in which the substantial exposure occurred.

43 (8) "Occupational exposure" means a substantial exposure of a worker in the course of the
 44 worker's occupation.

45 (9) "Source person" means a person who is the source of the blood or body fluid in the instance

1 of a substantial exposure of another person.

2 (10) "Substantial exposure" means an exposure to blood or certain body fluids as defined by rule
3 of the authority to have a potential for transmitting the human immunodeficiency virus based upon
4 current scientific information.

5 (11) "Worker" means a person who is licensed or certified to provide health care under ORS
6 chapters 677, 678, 679, 680, 684 or 685 or ORS 682.216, an employee of a health care facility, of a
7 licensed health care provider or of a clinical laboratory, as defined in ORS 438.010, a firefighter, a
8 law enforcement officer, as defined in ORS 414.805, a corrections officer or a parole and probation
9 officer.

10 **SECTION 184.** ORS 433.095 is amended to read:

11 433.095. The *[Department of Human Services]* **Oregon Health Authority** shall adopt rules re-
12 quiring pharmacists to report information about the administration of vaccines to the immunization
13 registry created under ORS 433.094.

14 **SECTION 185.** ORS 433.407 is amended to read:

15 433.407. As used in ORS 433.407 to 433.423 unless the context requires otherwise:

16 (1) "Authority" means the Oregon Health Authority.

17 (2) "Health care facility" means a facility as defined in ORS 442.015 and a mental health facility,
18 alcohol treatment facility or drug treatment facility licensed or operated under ORS chapter 426
19 *[and 430.397 to 430.401 or ORS chapter]* **or** 430.

20 (3) "Worker" means a person who is licensed or certified to provide health care under ORS
21 chapter 677, 678, 679, 680, 684 or 685 or ORS 682.216, an employee of a health care facility, of a li-
22 censed health care provider or of a clinical laboratory as defined in ORS 438.010, a firefighter, a law
23 enforcement officer as defined in ORS 414.805, a corrections officer or a parole and probation officer.

24 **SECTION 186.** ORS 441.096 is amended to read:

25 441.096. (1) A health care practitioner working at a health care facility and providing direct
26 care to a patient shall wear an identification badge indicating the practitioner's name and profes-
27 sional title.

28 (2) A health care facility shall develop policies that specify the size and content of the identifi-
29 cation badge required by subsection (1) of this section.

30 (3) As used in this section, "health care facility" means a health care facility as defined in ORS
31 442.015 or a mental health facility, alcohol treatment facility or drug treatment facility licensed or
32 operated under *[ORS 430.397 to 430.401 or]* ORS chapter 426 or 430.

33 **SECTION 187.** ORS 442.011 is amended to read:

34 442.011. *[(1)]* There is created in the Oregon Health Authority the Office for Oregon Health
35 Policy and Research. The Administrator of the Office for Oregon Health Policy and Research shall
36 be appointed by the *[Governor and the appointment shall be subject to Senate confirmation in the*
37 *manner prescribed in ORS 171.562 and 171.565]* **Director of the Oregon Health Authority**. The
38 administrator shall be an individual with demonstrated proficiency in planning and managing pro-
39 grams with complex public policy and fiscal aspects such as those involved in the medical assistance
40 program. *[Before making the appointment, the Governor must advise the President of the Senate and*
41 *the Speaker of the House of Representatives of the names of at least three finalists and shall consider*
42 *their recommendation in appointing the administrator.]*

43 *[(2) In carrying out the responsibilities and duties of the administrator, the administrator shall*
44 *consult with and be advised by the Oregon Health Policy Board.]*

45 **SECTION 188.** ORS 442.700 is amended to read:

1 442.700. As used in ORS 442.700 to 442.760:

2 (1) "Board of governors" means the governors of a cooperative program as described in ORS
3 442.720.

4 (2) "Cooperative program" means a program among two or more health care providers for the
5 purpose of providing heart and kidney transplant services including, but not limited to, the sharing,
6 allocation and referral of physicians, patients, personnel, instructional programs, support services,
7 facilities, medical, diagnostic, laboratory or therapeutic services, equipment, devices or supplies, and
8 other services traditionally offered by health care providers.

9 [(3) "Director" means the Director of Human Services.]

10 [(4)] (3) "Health care provider" means a hospital, physician or entity, a significant part of whose
11 activities consist of providing hospital or physician services in this state. For purposes of the im-
12 munities provided by ORS 442.700 to 442.760 and 646.740, "health care provider" includes any offi-
13 cer, director, trustee, employee, or agent of, or any entity under common ownership and control
14 with, a health care provider.

15 [(5)] (4) "Hospital" means a hospital, a long term care facility or an ambulatory surgical center,
16 as those terms are defined in ORS 442.015, that is licensed under ORS 441.015 to 441.089.
17 "Hospital" includes community health programs established under ORS 430.610 to 430.695.

18 [(6)] (5) "Order" means a decision issued by the Director of the **Oregon Health Authority**
19 under ORS 442.710 either approving or denying an application for a cooperative program and in-
20 cludes modifications of an original order under ORS 442.730 (3)(b) and ORS 442.740 (1) and (4).

21 [(7)] (6) "Party to a cooperative program agreement" or "party" means an entity that enters into
22 the principal agreement to establish a cooperative program and applies for approval under ORS
23 442.700 to 442.760 and 646.740 and any other entity that, with the approval of the director, becomes
24 a member of a cooperative program.

25 [(8)] (7) "Physician" means a physician defined in ORS 677.010 (13) and licensed under ORS
26 chapter 677.

27 **SECTION 189.** ORS 443.450 is amended to read:

28 443.450. (1) For a residential care facility, residential training facility or residential training
29 home, the Director of Human Services shall adopt rules governing:

- 30 (a) The physical properties of the facility or home;
- 31 (b) Storage, preparation and serving of food;
- 32 (c) Care or training to be provided;
- 33 (d) The number, experience and training of the staff; and
- 34 (e) Any other factors affecting the care or training provided.

35 (2) For a residential treatment facility or residential treatment home, the Director of the Oregon
36 Health Authority shall adopt rules governing:

- 37 (a) The physical properties of the facility or home;
- 38 (b) Storage, preparation and serving of food;
- 39 (c) Treatment to be provided;
- 40 (d) The number, experience and training of the staff; and
- 41 (e) Any other factors affecting the treatment provided.

42 (3) Distinct rules shall be adopted for homes of five or fewer residents, for facilities of six or
43 more but fewer than 16 residents, and for facilities for 16 or more residents. The rules shall differ-
44 entiate among categories of residents.

45 (4) For purposes of this section, "categories" refers to different populations of residents, differ-

1 entiated by, but not limited to, age and need, as defined by the Department of Human Services or
2 the **Oregon Health** Authority by rule.

3 **SECTION 190.** ORS 443.465 is amended to read:

4 443.465. (1) The [*Department of Human Services*] **Oregon Health Authority** shall adopt rules
5 applicable to secure residential treatment homes and facilities as defined in ORS 443.400 that house
6 persons who, as a condition of release under ORS 161.315 to 161.351, are required to live in a secure
7 home or facility. The rules must:

- 8 (a) Provide minimum security, health and safety standards;
- 9 (b) Require the home or facility to have an emergency preparedness plan;
- 10 (c) Set minimum training standards for the staff of the home or facility; and
- 11 (d) Ensure compliance with any orders of the court or the **Psychiatric Security Review** Board.

12 (2) As used in this section, a residential treatment home or facility is “secure” if a resident exit
13 from the home, facility or grounds of the home or facility is restricted through the use of locking
14 devices on resident exit doors, gates or other closures.

15 **SECTION 191.** ORS 443.860 is amended to read:

16 443.860. (1) A person may not establish, conduct or maintain a hospice program providing
17 hospice services, or hold itself out to the public as a hospice program, without obtaining a license
18 from the [*Department of Human Services*] **Oregon Health Authority**.

19 (2) The [*department*] **authority**:

20 (a) Shall adopt rules to carry out the provisions of ORS 443.850 to 443.869, including but not
21 limited to rules for licensure that require an on-site inspection of each licensed hospice program at
22 least once every three years.

23 (b) May accept certification by a federal agency or accreditation by an accrediting organization
24 approved by the [*department*] **authority** as evidence of compliance with the requirements for
25 licensure adopted under paragraph (a) of this subsection if:

26 (A) The certification or accreditation meets standards and conditions established for hospice
27 programs by the Centers for Medicare and Medicaid Services;

28 (B) The hospice program invites the [*department*] **authority** to participate in any exit interview
29 conducted by the agency or organization; and

30 (C) The hospice program provides the [*department*] **authority** with copies of all documentation
31 requested by the [*department*] **authority** concerning the certification or accreditation.

32 (3) The fee to obtain or renew a hospice program license is \$750.

33 (4) The [*department*] **authority** shall prescribe by rule the form and manner for application for
34 or renewal of a license. The [*department*] **authority** shall issue a license to an applicant that has
35 the necessary qualifications, meets all requirements established by the [*department*] **authority** by
36 rule and has paid the fee.

37 (5) A license issued under this section is valid for one year and is not transferable. A license
38 may be renewed by payment of the fee and demonstration of compliance with requirements for re-
39 newal established by the [*department*] **authority** by rule.

40 **SECTION 192.** ORS 443.861 is amended to read:

41 443.861. All moneys received by the [*Department of Human Services*] **Oregon Health Authority**
42 under ORS 443.860 shall be paid into the State Treasury and deposited to the credit of the Public
43 Health Account established in ORS 431.210. The moneys shall be used by the [*department*] **authority**
44 in carrying out its duties under ORS 443.850 to 443.869.

45 **SECTION 193.** ORS 443.864 is amended to read:

1 443.864. The [*Department of Human Services*] **Oregon Health Authority** may suspend, revoke
2 or refuse to renew the license of a hospice program for failure to comply with ORS 443.860 or with
3 rules adopted pursuant to ORS 443.860.

4 **SECTION 194.** ORS 443.869 is amended to read:

5 443.869. In addition to any other liability or penalty provided by law, the Director of [*Human*
6 *Services*] **the Oregon Health Authority** may impose a civil penalty of \$1,000 per day, up to \$10,000
7 in any 30-day period, for any of the following:

8 (1) Violation of any of the terms or conditions of a license issued under ORS 443.860 to a hospice
9 program.

10 (2) Violation of any rule or general order of the [*Department of Human Services*] **Oregon Health**
11 **Authority** that pertains to a hospice program.

12 (3) Violation of any final order of the director that pertains specifically to a hospice program
13 owned or operated by the person incurring the penalty.

14 (4) Violation of ORS 443.860 or of rules adopted under ORS 443.860.

15 (5) Civil penalties under this section shall be imposed in the manner provided by ORS 183.745.

16 (6) All penalties recovered under this section shall be paid into the State Treasury and credited
17 to the General Fund and are available for general governmental expenses.

18 **SECTION 195.** ORS 448.465 is amended to read:

19 448.465. Any fees collected pursuant to the schedule adopted under ORS 448.450 shall be de-
20 posited in the General Fund of the State Treasury to the credit of the Oregon Health Authority.
21 Such fees are continuously appropriated to the [*Department of Environmental Quality*] **authority** to
22 pay the cost of administering the provisions of ORS 448.450 to 448.465, 448.992 and 448.994.

23 **SECTION 196.** ORS 480.225 is amended to read:

24 480.225. (1) A person is eligible for a certificate of possession under ORS 480.235 if:

25 (a) The person has not been convicted, or found guilty except for insanity under ORS 161.295,
26 of a misdemeanor involving violence, as defined in ORS 166.470, within the previous four years. A
27 person who has been so convicted is eligible under this subsection following the expiration of seven
28 years after the date of final and unconditional discharge from all imprisonment, probation and parole
29 resulting from the conviction.

30 (b) The person has not been convicted, or found guilty except for insanity under ORS 161.295,
31 of, and is not under indictment for, any felony.

32 (c) The person is not a fugitive from justice, has no outstanding warrants for arrest and is not
33 free on any form of pretrial release for any offenses listed in paragraphs (a) and (b) of this sub-
34 section.

35 (d) The person has not been determined to be mentally ill under ORS 426.130 [*and 430.397 to*
36 *430.401*] or mentally retarded under ORS 427.290. A person who previously has been so determined
37 is eligible under this subsection if, at the time of application for such a certificate, the person
38 produces a certified copy of a full discharge from the proper state hospital. The Oregon Health
39 Authority shall provide the State Fire Marshal with direct electronic access to the authority's da-
40 tabase of information identifying persons meeting the criteria of this section who were committed
41 or subject to an order under ORS 426.130. The State Fire Marshal and the authority shall enter into
42 an agreement describing the access to information under this subsection.

43 (e) The person is at least 21 years of age.

44 (f) The person does not use a fictitious name or make a material misrepresentation in applica-
45 tion for such a certificate.

1 (g)(A) The person has not been convicted of, and is not under indictment for, a criminal offense
 2 involving a controlled substance as defined in ORS 475.005, other than the offense of driving under
 3 the influence of intoxicants.

4 (B) Notwithstanding subparagraph (A) of this paragraph, a person who has had a certificate
 5 denied or revoked due to conviction of a criminal offense involving a controlled substance is eligible
 6 under this section following the expiration of seven years after the date of final and unconditional
 7 discharge from all imprisonment, probation and parole resulting from the conviction.

8 (h) The person has been discharged from the jurisdiction of the juvenile court for more than four
 9 years for an act that, if committed by an adult, would constitute a felony or a misdemeanor involv-
 10 ing violence, as defined in ORS 166.470.

11 (i) The person is not the subject of a restraining order that alleges the person's possession of
 12 explosives presents a credible threat to another person.

13 (j) The person has passed an examination administered by the State Fire Marshal that assesses
 14 the person's knowledge of safety in the transportation and storage of explosives as required under
 15 federal and state laws and regulations pertaining to explosives. The State Fire Marshal shall ex-
 16 amine each applicant prior to issuance of a certificate of possession to the applicant. The State Fire
 17 Marshal may by rule establish and collect an examination fee in an amount necessary to cover the
 18 cost of administering the examination.

19 (k) The person certifies on the application for a certificate of possession that all explosives in
 20 the person's possession will be used, stored and transported in accordance with federal, state and
 21 local requirements.

22 (L) The person certifies that all explosives will be possessed, used, stored and transported in
 23 accordance with federal, state and local requirements.

24 (2) Subsection (1)(a) and (b) of this section does not apply to a conviction or indictment that has
 25 been expunged from a person's record under the laws of this state or equivalent laws of another
 26 jurisdiction.

27 **SECTION 197.** ORS 497.162 is amended to read:

28 497.162. (1) Upon application of the Oregon Youth Authority, the Oregon Health Authority or
 29 the Department of Human Services, the State Fish and Wildlife Commission shall issue, without fee,
 30 a license to angle for the temporary use of any person in a state institution as described in ORS
 31 179.610, any student in a youth correction facility or related camps or programs operated by the
 32 Oregon Youth Authority, any child placed by the department and under the care of a foster home
 33 or a private nonprofit child-caring agency certified by the department, [or] any person in an alter-
 34 native to state hospitalization program as described in ORS 430.630 (2)(b) or (c), **or any person**
 35 **receiving services as an alternative to admission to a training center under section 164 (2)(b)**
 36 **or (c) of this 2011 Act.** The licenses issued under this subsection shall be in bearer form and,
 37 subject to applicable laws and regulations relating to angling, shall be used as the agency applying
 38 for the license directs.

39 (2) Upon application of the Department of Human Services, the commission shall issue, without
 40 fee, a license to take shellfish for the temporary use of any child placed by the department and un-
 41 der the care of a foster home or a private nonprofit child-caring agency certified by the department.
 42 The licenses issued under this subsection shall be in bearer form and, subject to applicable laws and
 43 regulations relating to taking shellfish, shall be used as the department directs.

44 (3) Upon application of the director of any veteran's administration hospital or domiciliary
 45 within this state, the commission shall issue, without fee, to each hospital or domiciliary 30 licenses

1 to angle or to take shellfish for the temporary use of any person who is a patient or resident in the
 2 hospital or domiciliary. The licenses issued under this subsection shall be in bearer form and, sub-
 3 ject to applicable laws and regulations relating to angling and to taking shellfish, shall be used as
 4 the director of the hospital or domiciliary provides.

5 **SECTION 198.** ORS 616.555 is amended to read:

6 616.555. As used in ORS 616.555 to 616.585:

7 (1) "Alcoholic beverage" has the meaning given that term in ORS 471.001.

8 (2)(a) "Chain restaurant" means a restaurant located in Oregon that:

9 (A) Is part of an affiliation of 15 or more restaurants within the United States;

10 (B) Sells standardized menu items that constitute 80 percent or more of the menu items served
 11 in the restaurant and at least 14 of the other affiliated restaurants; and

12 (C) Operates under a trade name or service mark, both as defined in ORS 647.005, that is iden-
 13 tical or substantially similar to the trade names or service marks of the affiliated restaurants.

14 (b) "Chain restaurant" does not mean:

15 (A) A restaurant located inside a facility that is subject to State Department of Agriculture in-
 16 spection under an interagency agreement described in ORS 624.530, unless the trade name or service
 17 mark for the restaurant differs from the trade name or service mark of the facility containing the
 18 restaurant;

19 (B) A cafeteria of a public or private educational institution;

20 (C) A health care facility as defined in ORS 442.015; or

21 (D) A motion picture theater.

22 (3) "Food product" means a discrete unit serving of a ready-to-eat food or beverage.

23 (4)(a) "Food tag" means an informational label placed near a menu item that is identified or
 24 indicated by the label.

25 (b) "Food tag" does not mean a menu or menu board.

26 (5) "Menu" means a pictorial or written description of menu items that does not have a fixed
 27 location and is not intended for joint viewing by multiple patrons.

28 (6)(a) "Menu board" means a pictorial display or written description of menu items that:

29 (A) Is located where the customer places an order for a menu item; and

30 (B) Is not a menu or a food tag.

31 (b) "Menu board" does not mean a pictorial display used solely for the purpose of marketing.

32 (7)(a) "Menu item" means a prepared food product or a group or combination of prepared food
 33 products that is offered on a menu, menu board or food tag as a distinct article for sale.

34 (b) "Menu item" does not mean the following:

35 (A) Condiments that are made available on tables or counters for general use without charge.

36 (B) Food products that are offered for sale less than 90 days during a calendar year.

37 (C) Alcoholic beverages, except as provided by rule by the *[Department of Human Services]*

38 **Oregon Health Authority** as described in ORS 616.575.

39 (D) Food products in sealed manufacturer packaging.

40 (8) "Restaurant" has the meaning given that term in ORS 624.010.

41 **SECTION 199.** ORS 616.560 is amended to read:

42 616.560. (1) A chain restaurant shall determine typical values of the following for each menu
 43 item offered by the restaurant:

44 (a) Total calories.

45 (b) Total grams of saturated fat.

- 1 (c) Total grams of trans fat.
- 2 (d) Total grams of carbohydrates.
- 3 (e) Total milligrams of sodium.

4 (2) The typical values described in subsection (1) of this section must be based on calorie and
 5 nutrient databases, verifiable reference values, government standards, laboratory testing or other
 6 methods for determining nutritional values recognized by the *[Department of Human Services]*
 7 **Oregon Health Authority** by rule.

8 (3) The chain restaurant shall maintain a written list of the typical values described in sub-
 9 section (1) of this section for all of the menu items of the restaurant and make copies of the list
 10 available for distribution to customers. The chain restaurant shall provide a copy of the list to a
 11 customer who is present in the restaurant and requests nutritional information regarding any menu
 12 item.

13 (4) A chain restaurant may not make available to customers any typical values determined under
 14 this section that are substantially inaccurate or that the restaurant knows or should know to be
 15 false or misleading.

16 **SECTION 200.** ORS 616.570 is amended to read:

17 616.570. (1) If a chain restaurant serves a menu item that is not a self-service item, the chain
 18 restaurant shall have a menu, menu board or food tag that:

- 19 (a) Discloses nutritional information for the menu item as required by this section; and
- 20 (b) Is readily visible for customer use at the location where the customer places the order for
 21 the menu item.

22 (2)(a) If a chain restaurant offers a menu item for self-service, the chain restaurant shall have
 23 a menu board or food tag, for each area of the restaurant in which the item is displayed, that:

- 24 (A) Discloses nutritional information for the menu item as required by this section; and
- 25 (B) Is readily visible in the area where the menu item is displayed.

26 (b) If a chain restaurant offers a menu item for self-service that the restaurant also offers on a
 27 basis that is not self-service, the restaurant shall ensure that the area where the item is offered on
 28 a basis that is not self-service complies with subsection (1) of this section.

29 (3) If a chain restaurant uses a menu or menu board, the menu or menu board must include the
 30 following:

31 (a) A statement of the total calories for each of the menu items listed on that menu or menu
 32 board. The total calorie statement must be in a conspicuous place near the other menu or menu
 33 board information for that menu item. If the menu or menu board lists prices, the total calorie
 34 statement must be of a size and typeface no less prominent than the size and typeface used to dis-
 35 play the price of the menu item. If the menu or menu board does not list prices, the total calorie
 36 statement must be of a size and typeface no less prominent than the size and typeface used to dis-
 37 play the least prominent of any other information stated on the menu or menu board.

38 (b) In a conspicuous place, a statement listing the daily intake amounts of calories, saturated
 39 fat and sodium recommended by the *[Department of Human Services]* **Oregon Health Authority**.

40 (c) In a conspicuous place, a statement that additional nutritional information is available upon
 41 request.

42 (4) If a chain restaurant uses food tags, the restaurant shall display the following:

43 (a) A statement of the total calories for the menu item in a conspicuous place on the tag. If the
 44 food tag states the price of the menu item, the total calorie statement must be of a size and typeface
 45 no less prominent than the size and typeface used to display the price of the menu item. If the food

1 tag does not state the price, the total calorie statement must be of a size and typeface no less
2 prominent than the size and typeface used to display the least prominent of any other information
3 stated on the tag.

4 (b) In a conspicuous place, a statement listing the daily intake amounts of calories, saturated
5 fat and sodium recommended by the *[Department of Human Services]* **authority**.

6 (c) In a conspicuous place, a statement that additional nutritional information is available upon
7 request.

8 (5) A chain restaurant may post disclaimers stating that the actual nutritional value of menu
9 items may vary from the stated total calories or other nutritional information due to variations in
10 preparation, size or ingredients or for custom orders.

11 (6) A chain restaurant may supplement the nutritional information disclosures required by this
12 section and ORS 616.560 and 616.565 with additional consumer information.

13 **SECTION 201.** ORS 616.575 is amended to read:

14 616.575. (1) The *[Department of Human Services]* **Oregon Health Authority** shall adopt rules the
15 *[department]* **authority** considers reasonable for the administration and enforcement of ORS 616.555
16 to 616.580. The rules adopted by the *[department]* **authority** must include, but need not be limited
17 to, rules for the rounding of stated values and the establishment of specifications for total calorie
18 statements and other required statements. In adopting rules under this section, the *[department]*
19 **authority** shall:

20 (a) To the extent the *[department]* **authority** considers practicable, follow any relevant United
21 States Food and Drug Administration practices, standards and rules for nutritional labeling; and

22 (b) Seek input from representatives of chain restaurants.

23 (2) The *[department]* **authority** shall adopt rules establishing conditions under which a menu
24 board serving the drive-through area of a chain restaurant may qualify for a full or partial exception
25 from ORS 616.565 and 616.570. The rules shall make an exception available only if compliance with
26 ORS 616.565 or 616.570 would require the violation of local land use laws or sign ordinances, or is
27 impracticable due to site-specific conditions. As used in this subsection, "drive-through area" means
28 an area where customers place orders for and receive menu items while occupying motor vehicles.

29 (3)(a) Notwithstanding subsection (1) of this section, the following are the typical values for al-
30 coholic beverages:

31 (A) For wine, 122 calories, 4 grams of carbohydrate and 7 milligrams of sodium for a five-ounce
32 serving;

33 (B) For beer other than light beer, 153 calories, 13 grams of carbohydrate and 14 milligrams of
34 sodium for a 12-ounce serving;

35 (C) For light beer, 103 calories, 6 grams of carbohydrate and 14 milligrams of sodium for a
36 12-ounce serving; and

37 (D) For distilled spirits, 96 calories for a 1.5-ounce serving.

38 (b) A chain restaurant shall use the typical values described in paragraph (a) of this subsection
39 when calculating the total calories for a menu item that includes one or more alcoholic beverages.

40 (c) The *[department]* **authority**:

41 (A) May adopt rules to require total calorie disclosures for an alcoholic beverage or a menu
42 item that contains an alcoholic beverage, only if the alcoholic beverage or menu item is offered by
43 a chain restaurant for 90 or more days during a calendar year; and

44 (B) May adopt rules that exempt containers or dispensers of alcoholic beverages from the use
45 of food tags to state standard calorie values.

1 **SECTION 202.** ORS 616.580 is amended to read:

2 616.580. (1) The [*Department of Human Services*] **Oregon Health Authority** may inspect chain
3 restaurants for compliance with ORS 616.560, 616.565 and 616.570 and [*department*] **authority** rules
4 adopted under ORS 616.575. The person operating the chain restaurant shall, upon request of the
5 [*department*] **authority**, permit access to all parts of the restaurant and any records in the pos-
6 session of the restaurant regarding nutritional values or menu items and provide menu item samples
7 for nutritional value testing by the [*department*] **authority**.

8 (2) If a chain restaurant violates a provision of ORS 616.560, 616.565 or 616.570 or a rule adopted
9 under ORS 616.575, the [*department*] **authority** shall provide the restaurant with written notice in-
10 forming the restaurant of the violation and stating that the restaurant may avoid a civil penalty for
11 the violation by curing the violation within 60 days. If the chain restaurant fails to cure the vio-
12 lation within 60 days, the [*department*] **authority** may impose a civil penalty of not less than \$250
13 and not more than \$1,000 for the violation. For a continuing violation, each 30-day period that the
14 violation continues after the preceding imposition of a civil penalty is a separate offense subject to
15 a separate civil penalty. The [*department*] **authority** is not required to provide the chain restaurant
16 with an opportunity to cure the continuing violation before imposing a civil penalty for the contin-
17 uing violation.

18 **SECTION 203.** ORS 676.150 is amended to read:

19 676.150. (1) As used in this section:

20 (a) "Board" means the:

21 (A) State Board of Examiners for Speech-Language Pathology and Audiology;

22 (B) State Board of Chiropractic Examiners;

23 (C) State Board of Licensed Social Workers;

24 (D) Oregon Board of Licensed Professional Counselors and Therapists;

25 (E) Oregon Board of Dentistry;

26 (F) Board of Examiners of Licensed Dietitians;

27 (G) State Board of Massage Therapists;

28 (H) Oregon Board of Naturopathic Medicine;

29 (I) Oregon State Board of Nursing;

30 (J) Nursing Home Administrators Board;

31 (K) Oregon Board of Optometry;

32 (L) State Board of Pharmacy;

33 (M) Oregon Medical Board;

34 (N) Occupational Therapy Licensing Board;

35 (O) Physical Therapist Licensing Board;

36 (P) State Board of Psychologist Examiners;

37 (Q) Board of [*Radiologic Technology*] **Medical Imaging**;

38 (R) State Board of Direct Entry Midwifery;

39 (S) State Board of Denture Technology;

40 (T) Respiratory Therapist Licensing Board;

41 (U) [*Department of Human Services*] **Oregon Health Authority**, to the extent that the [*depart-*
42 *ment*] **authority** certifies emergency medical technicians;

43 (V) Oregon State Veterinary Medical Examining Board; or

44 (W) State Mortuary and Cemetery Board.

45 (b) "Licensee" means a health professional licensed or certified by or registered with a board.

1 (c) “Prohibited conduct” means conduct by a licensee that:

2 (A) Constitutes a criminal act against a patient or client; or

3 (B) Constitutes a criminal act that creates a risk of harm to a patient or client.

4 (d) “Unprofessional conduct” means conduct unbecoming a licensee or detrimental to the best
5 interests of the public, including conduct contrary to recognized standards of ethics of the licensee’s
6 profession or conduct that endangers the health, safety or welfare of a patient or client.

7 (2) Unless state or federal laws relating to confidentiality or the protection of health information
8 prohibit disclosure, a licensee who has reasonable cause to believe that another licensee has en-
9 gaged in prohibited or unprofessional conduct shall report the conduct to the board responsible for
10 the licensee who is believed to have engaged in the conduct. The reporting licensee shall report the
11 conduct without undue delay, but in no event later than 10 working days after the reporting licensee
12 learns of the conduct.

13 (3) A licensee who is convicted of a misdemeanor or felony or who is arrested for a felony crime
14 shall report the conviction or arrest to the licensee’s board within 10 days after the conviction or
15 arrest.

16 (4) The board responsible for a licensee who is reported to have engaged in prohibited or un-
17 professional conduct shall investigate in accordance with the board’s rules. If the board has rea-
18 sonable cause to believe that the licensee has engaged in prohibited conduct, the board shall present
19 the facts to an appropriate law enforcement agency without undue delay, but in no event later than
20 10 working days after the board finds reasonable cause to believe that the licensee engaged in pro-
21 hibited conduct.

22 (5) A licensee who fails to report prohibited or unprofessional conduct as required by subsection
23 (2) of this section or the licensee’s conviction or arrest as required by subsection (3) of this section
24 is subject to discipline by the board responsible for the licensee.

25 (6) A licensee who fails to report prohibited conduct as required by subsection (2) of this section
26 commits a Class A violation.

27 (7) Notwithstanding any other provision of law, a report under subsection (2) or (3) of this sec-
28 tion is confidential under ORS 676.175. A board may disclose a report as provided in ORS 676.177.

29 (8) Except as part of an application for a license or for renewal of a license and except as pro-
30 vided in subsection (3) of this section, a board may not require a licensee to report the licensee’s
31 criminal conduct.

32 (9) The obligations imposed by this section are in addition to and not in lieu of other obligations
33 to report unprofessional conduct as provided by statute.

34 (10) A licensee who reports to a board in good faith as required by subsection (2) of this section
35 is immune from civil liability for making the report.

36 (11) A board and the members, employees and contractors of the board are immune from civil
37 liability for actions taken in good faith as a result of a report received under subsection (2) or (3)
38 of this section.

39 **SECTION 204.** ORS 676.306 is amended to read:

40 676.306. (1) As used in this section, “health professional regulatory board” means a health pro-
41 fessional regulatory board described in ORS 676.160 other than the [*Department of Human Services*]
42 **Oregon Health Authority** with regard to the certification of emergency medical technicians.

43 (2) Subject to applicable provisions of the State Personnel Relations Law and the approval of
44 the Governor, notwithstanding ORS 182.468, each health professional regulatory board shall appoint
45 an executive director and prescribe the duties and fix the compensation of the executive director.

1 The executive director shall serve at the pleasure of the Governor under the direct supervision of
2 the appointing board. The board may request that the Governor remove the executive director.

3 (3) In addition to any other duties imposed by law or otherwise required of state agencies, the
4 executive director shall keep all records of the board and discharge all duties prescribed by the
5 board.

6 (4) The executive director shall prepare periodic reports regarding the licensing, monitoring and
7 investigative activities of the board. The executive director shall submit the reports to the board
8 and the Governor. The Oregon Department of Administrative Services, in consultation with the
9 board, shall adopt rules specifying requirements for the report content and processes for preparing
10 and submitting the reports. The rules may be consistent with performance management measures
11 and processes initiated by the department. The rules shall require each board to undergo a peer
12 review of board activities by a team of executive directors of other health professional regulatory
13 boards and at least one public member. The department may assess the board for the cost of the
14 peer review.

15 **SECTION 205.** ORS 676.350 is amended to read:

16 676.350. (1) As used in this section:

17 (a) "Expedited partner therapy" means the practice of prescribing or dispensing antibiotic drugs
18 for the treatment of a sexually transmitted disease to the partner of a patient without first exam-
19 ining the partner of the patient.

20 (b) "Partner of a patient" means a person whom a patient diagnosed with a sexually transmitted
21 disease identifies as a sexual partner of the patient.

22 (c) "Practitioner" has the meaning given that term in ORS 475.005.

23 (2) A health professional regulatory board, as defined in ORS 676.160, may adopt rules permit-
24 ting practitioners to practice expedited partner therapy. If a board adopts rules permitting practi-
25 tioners to practice expedited partner therapy, the board shall consult with the [*Department of*
26 *Human Services*] **Oregon Health Authority** to determine which sexually transmitted diseases are
27 appropriately addressed with expedited partner therapy.

28 (3) A prescription issued in the practice of expedited partner therapy authorized by the rules
29 of a board is valid even if the name of the patient for whom the prescription is intended is not on
30 the prescription.

31 (4) The [*department*] **authority** shall make available informational material about expedited
32 partner therapy that a practitioner may distribute to patients.

33 **SECTION 206.** ORS 682.218 is amended to read:

34 682.218. The [*Department of Human Services*] **Oregon Health Authority** shall adopt rules to
35 allow an applicant for certification by indorsement as an emergency medical technician, as defined
36 in ORS 682.025, to substitute experience and certification by a national registry of emergency med-
37 ical technicians for education requirements imposed by the [*department*] **authority**.

38 **SECTION 207.** ORS 708A.430 is amended to read:

39 708A.430. (1) On the death of a depositor of a financial institution, if the deposit is \$25,000 or
40 less, the financial institution may, upon receipt of an affidavit from the person claiming the deposit
41 as provided in subsection (2) of this section, pay the moneys on deposit to the credit of the deceased
42 depositor:

43 (a) To the surviving spouse on demand of the surviving spouse at any time after the death of
44 the depositor;

45 (b) If there is no surviving spouse, to the Oregon Health Authority **or the Department of**

1 **Human Services**, on demand of the authority **or the department** no less than 46 days and no more
 2 than 75 days from the death of the depositor when there is a preferred claim arising under ORS
 3 **411.708, 411.795 or 416.350**;

4 *[(c) If there is no surviving spouse or authority claim, to the Department of Human Services, on*
 5 *demand of the department no less than 46 days and no more than 75 days from the death of the*
 6 *depositor when there is a preferred claim arising under ORS 411.708 or 411.795;]*

7 [(d)] (c) If there is no surviving spouse and no authority or department claim, to the depositor's
 8 surviving children 18 years of age or older;

9 [(e)] (d) If there is no surviving spouse, authority claim, department claim or surviving child 18
 10 years of age or older, to the depositor's surviving parents; or

11 [(f)] (e) If there is no surviving spouse, authority claim, department claim, surviving child 18
 12 years of age or older or surviving parent, to the depositor's surviving brothers and sisters 18 years
 13 of age or older.

14 (2) The affidavit shall:

15 (a) State where and when the depositor died;

16 (b) State that the total deposits of the deceased depositor in all financial institutions in Oregon
 17 do not exceed \$25,000;

18 (c) Show the relationship of the affiant to the deceased depositor; and

19 (d) Embody a promise to pay the expenses of last sickness, funeral expenses and just debts of
 20 the deceased depositor out of the deposit to the full extent of the deposit if necessary, in the order
 21 of priority prescribed by ORS 115.125, and to distribute any remaining moneys to the persons who
 22 are entitled to those moneys by law.

23 (3) In the event the depositor died intestate without known heirs, an estate administrator of the
 24 Department of State Lands appointed under ORS 113.235 shall be the affiant and shall receive the
 25 moneys as escheat property.

26 (4) The financial institution shall determine the relationship of the affiant to the deceased
 27 depositor. However, payment of the moneys in good faith to the affiant discharges and releases the
 28 transferor from any liability or responsibility for the transfer in the same manner and with the same
 29 effect as if the property had been transferred, delivered or paid to a personal representative of the
 30 estate of the deceased depositor.

31 (5) A probate proceeding is not necessary to establish the right of the surviving spouse, au-
 32 thority, department, surviving child, surviving parent, surviving brothers and sisters or an estate
 33 administrator of the Department of State Lands to withdraw the deposits upon the filing of the af-
 34 fidavit. If a personal representative is appointed in an estate where a withdrawal of deposits was
 35 made under this section, the person withdrawing the deposits shall account for them to the personal
 36 representative.

37 (6) When a financial institution transfers moneys under subsection (1) of this section, the
 38 transferor may require the transferee to furnish the transferor a written indemnity agreement,
 39 indemnifying the transferor against loss for moneys paid to the extent of the amount of the deposit.

40 (7) This section is subject to the rights of other parties in the account under ORS 708A.455 to
 41 708A.515.

42 **SECTION 208.** ORS 743.730 is amended to read:

43 743.730. For purposes of ORS 743.730 to 743.773:

44 (1) "Actuarial certification" means a written statement by a member of the American Academy
 45 of Actuaries or other individual acceptable to the Director of the Department of Consumer and

1 Business Services that a carrier is in compliance with the provisions of ORS 743.736, 743.760 or
2 743.761, based upon the person's examination, including a review of the appropriate records and of
3 the actuarial assumptions and methods used by the carrier in establishing premium rates for small
4 employer and portability health benefit plans.

5 (2) "Affiliate" of, or person "affiliated" with, a specified person means any carrier who, directly
6 or indirectly through one or more intermediaries, controls or is controlled by or is under common
7 control with a specified person. For purposes of this definition, "control" has the meaning given that
8 term in ORS 732.548.

9 (3) "Affiliation period" means, under the terms of a group health benefit plan issued by a health
10 care service contractor, a period:

11 (a) That is applied uniformly and without regard to any health status related factors to an
12 enrollee or late enrollee in lieu of a preexisting conditions provision;

13 (b) That must expire before any coverage becomes effective under the plan for the enrollee or
14 late enrollee;

15 (c) During which no premium shall be charged to the enrollee or late enrollee; and

16 (d) That begins on the enrollee's or late enrollee's first date of eligibility for coverage and runs
17 concurrently with any eligibility waiting period under the plan.

18 (4) "Basic health benefit plan" means a health benefit plan for small employers that is required
19 to be offered by all small employer carriers and approved by the Director of the Department of
20 Consumer and Business Services in accordance with ORS 743.736.

21 (5) "Bona fide association" means an association that meets the requirements of 42 U.S.C.
22 300gg-11 as amended and in effect on July 1, 1997.

23 (6) "Carrier" means any person who provides health benefit plans in this state, including a li-
24 censed insurance company, a health care service contractor, a health maintenance organization, an
25 association or group of employers that provides benefits by means of a multiple employer welfare
26 arrangement or any other person or corporation responsible for the payment of benefits or provision
27 of services.

28 (7) "Committee" means the Health Insurance Reform Advisory Committee created under ORS
29 743.745.

30 (8) "Creditable coverage" means prior health care coverage as defined in 42 U.S.C. 300gg as
31 amended and in effect on July 1, 1997, and includes coverage remaining in force at the time the
32 enrollee obtains new coverage.

33 (9) "Department" means the Department of Consumer and Business Services.

34 (10) "Dependent" means the spouse or child of an eligible employee, subject to applicable terms
35 of the health benefit plan covering the employee.

36 (11) "Director" means the Director of the Department of Consumer and Business Services.

37 (12) "Eligible employee" means an employee of a small employer who works on a regularly
38 scheduled basis, with a normal work week of 17.5 or more hours. The employer may determine hours
39 worked for eligibility between 17.5 and 40 hours per week subject to rules of the carrier. "Eligible
40 employee" does not include employees who work on a temporary, seasonal or substitute basis.
41 Employees who have been employed by the small employer for fewer than 90 days are not eligible
42 employees unless the small employer so allows.

43 (13) "Employee" means any individual employed by an employer.

44 (14) "Enrollee" means an employee, dependent of the employee or an individual otherwise eligi-
45 ble for a group, individual or portability health benefit plan who has enrolled for coverage under the

1 terms of the plan.

2 (15) "Exclusion period" means a period during which specified treatments or services are ex-
3 cluded from coverage.

4 (16) "Financially impaired" means a member that is not insolvent and is:

5 (a) Considered by the Director of the Department of Consumer and Business Services to be po-
6 tentially unable to fulfill its contractual obligations; or

7 (b) Placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

8 (17)(a) "Geographic average rate" means the arithmetical average of the lowest premium and the
9 corresponding highest premium to be charged by a carrier in a geographic area established by the
10 director for the carrier's:

11 (A) Small employer group health benefit plans;

12 (B) Individual health benefit plans; or

13 (C) Portability health benefit plans.

14 (b) "Geographic average rate" does not include premium differences that are due to differences
15 in benefit design or family composition.

16 (18) "Group eligibility waiting period" means, with respect to a group health benefit plan, the
17 period of employment or membership with the group that a prospective enrollee must complete be-
18 fore plan coverage begins.

19 (19)(a) "Health benefit plan" means any hospital expense, medical expense or hospital or medical
20 expense policy or certificate, health care service contractor or health maintenance organization
21 subscriber contract, any plan provided by a multiple employer welfare arrangement or by another
22 benefit arrangement defined in the federal Employee Retirement Income Security Act of 1974, as
23 amended.

24 (b) "Health benefit plan" does not include coverage for accident only, specific disease or condi-
25 tion only, credit, disability income, coverage of Medicare services pursuant to contracts with the
26 federal government, Medicare supplement insurance policies, coverage of CHAMPUS services pur-
27 suant to contracts with the federal government, benefits delivered through a flexible spending ar-
28 rangement established pursuant to section 125 of the Internal Revenue Code of 1986, as amended,
29 when the benefits are provided in addition to a group health benefit plan, long term care insurance,
30 hospital indemnity only, short term health insurance policies (the duration of which does not exceed
31 six months including renewals), student accident and health insurance policies, dental only, vision
32 only, a policy of stop-loss coverage that meets the requirements of ORS 742.065, coverage issued as
33 a supplement to liability insurance, insurance arising out of a workers' compensation or similar law,
34 automobile medical payment insurance or insurance under which benefits are payable with or
35 without regard to fault and that is statutorily required to be contained in any liability insurance
36 policy or equivalent self-insurance.

37 (c) Nothing in this subsection shall be construed to regulate any employee welfare benefit plan
38 that is exempt from state regulation because of the federal Employee Retirement Income Security
39 Act of 1974, as amended.

40 (20) "Health statement" means any information that is intended to inform the carrier or insur-
41 ance producer of the health status of an enrollee or prospective enrollee in a health benefit plan.
42 "Health statement" includes the standard health statement developed by the Health Insurance Re-
43 form Advisory Committee.

44 (21) "Implementation of chapter 836, Oregon Laws 1989" means that the [*Health Services Com-*
45 *mission*] **Health Evidence Review Commission or its predecessor** has prepared a priority list, the

1 Legislative Assembly has enacted funding of the list and all necessary federal approval, including
2 waivers, has been obtained.

3 (22) "Individual coverage waiting period" means a period in an individual health benefit plan
4 during which no premiums may be collected and health benefit plan coverage issued is not effective.

5 (23) "Initial enrollment period" means a period of at least 30 days following commencement of
6 the first eligibility period for an individual.

7 (24) "Late enrollee" means an individual who enrolls in a group health benefit plan subsequent
8 to the initial enrollment period during which the individual was eligible for coverage but declined
9 to enroll. However, an eligible individual shall not be considered a late enrollee if:

10 (a) The individual qualifies for a special enrollment period in accordance with 42 U.S.C. 300gg
11 as amended and in effect on July 1, 1997;

12 (b) The individual applies for coverage during an open enrollment period;

13 (c) A court has ordered that coverage be provided for a spouse or minor child under a covered
14 employee's health benefit plan and request for enrollment is made within 30 days after issuance of
15 the court order;

16 (d) The individual is employed by an employer who offers multiple health benefit plans and the
17 individual elects a different health benefit plan during an open enrollment period; or

18 (e) The individual's coverage under Medicaid, Medicare, CHAMPUS, Indian Health Service or
19 a publicly sponsored or subsidized health plan, including but not limited to the medical assistance
20 program under ORS chapter 414, has been involuntarily terminated within 63 days of applying for
21 coverage in a group health benefit plan.

22 (25) "Multiple employer welfare arrangement" means a multiple employer welfare arrangement
23 as defined in section 3 of the federal Employee Retirement Income Security Act of 1974, as amended,
24 29 U.S.C. 1002, that is subject to ORS 750.301 to 750.341.

25 (26) "Oregon Medical Insurance Pool" means the pool created under ORS 735.610.

26 (27) "Preexisting conditions provision" means a health benefit plan provision applicable to an
27 enrollee or late enrollee that excludes coverage for services, charges or expenses incurred during
28 a specified period immediately following enrollment for a condition for which medical advice, diag-
29 nosis, care or treatment was recommended or received during a specified period immediately pre-
30 ceding enrollment. For purposes of ORS 743.730 to 743.773:

31 (a) Pregnancy does not constitute a preexisting condition except as provided in ORS 743.766;

32 (b) Genetic information does not constitute a preexisting condition in the absence of a diagnosis
33 of the condition related to such information; and

34 (c) A preexisting conditions provision shall not be applied to a newborn child or adopted child
35 who obtains coverage in accordance with ORS 743A.090.

36 (28) "Premium" includes insurance premiums or other fees charged for a health benefit plan,
37 including the costs of benefits paid or reimbursements made to or on behalf of enrollees covered by
38 the plan.

39 (29) "Rating period" means the 12-month calendar period for which premium rates established
40 by a carrier are in effect, as determined by the carrier.

41 (30)(a) "Small employer" means an employer that employed an average of at least two but not
42 more than 50 employees on business days during the preceding calendar year, the majority of whom
43 are employed within this state, and that employs at least two eligible employees on the date on
44 which coverage takes effect under a health benefit plan issued by a small employer carrier.

45 (b) Any person that is treated as a single employer under subsection (b), (c), (m) or (o) of section

1 414 of the Internal Revenue Code of 1986 shall be treated as one employer for purposes of this
2 subsection.

3 (c) The determination of whether an employer that was not in existence throughout the pre-
4 ceding calendar year is a small employer shall be based on the average number of employees that
5 it is reasonably expected the employer will employ on business days in the current calendar year.

6 (31) "Small employer carrier" means any carrier that offers health benefit plans covering eligible
7 employees of one or more small employers. A fully insured multiple employer welfare arrangement
8 otherwise exempt under ORS 750.303 (4) may elect to be a small employer carrier governed by the
9 provisions of ORS 743.733 to 743.737.

10 **SECTION 209.** ORS 743.736 is amended to read:

11 743.736. (1) In order to improve the availability and affordability of health benefit coverage for
12 small employers, the Health Insurance Reform Advisory Committee created under ORS 743.745 shall
13 submit to the Director of the Department of Consumer and Business Services two basic health ben-
14 efit plans pursuant to ORS 743.745. One plan shall be in the form of insurance and the second plan
15 shall be consistent with the requirements of the federal Health Maintenance Organization Act, 42
16 U.S.C. 300e et seq.

17 (2)(a) The director shall approve the basic health benefit plans following a determination that
18 the plans provide for maximum accessibility and affordability of needed health care services and
19 following a determination that the basic health benefit plans substantially meet the social values
20 that underlie the ranking of benefits by the [*Health Services Commission*] **Health Evidence Review**
21 **Commission or its predecessor** and that the basic health benefit plans are substantially similar
22 to the Medicaid reform program under chapter 836, Oregon Laws 1989, funded by the Legislative
23 Assembly.

24 (b) The basic health benefit plans shall include benefits mandated under ORS 743A.168 until
25 mental health, alcohol and chemical dependency services are fully integrated into the [*Health Ser-*
26 *VICES Commission's*] priority list **of the commission or its predecessor**, and as funded by the Leg-
27 islative Assembly, and chapter 836, Oregon Laws 1989, is implemented.

28 (c) The commission shall aid the director by reviewing the basic health benefit plans and com-
29 menting on the extent to which the plans meet these criteria.

30 (3) After the director's approval of the basic health benefit plans submitted by the committee
31 pursuant to subsection (1) of this section, each small employer carrier shall submit to the director
32 the policy form or forms containing its basic health benefit plan. Each policy form must be submitted
33 as prescribed by the director and is subject to review and approval pursuant to ORS 742.003.

34 (4)(a) As a condition of transacting business in the small employer health insurance market in
35 this state, every small employer carrier shall offer small employers an approved basic health benefit
36 plan and any other plans that have been submitted by the small employer carrier for use in the small
37 employer market and approved by the director.

38 (b) Nothing in this subsection shall require a small employer carrier to resubmit small employer
39 health benefit plans that were approved by the director prior to October 1, 1996, nor shall small
40 employer carriers be required to reinitiate new plan selection procedures for currently enrolled
41 small employers prior to the small employer's next health benefit plan coverage anniversary date.

42 (c) A carrier that offers a health benefit plan in the small employer market only through one
43 or more bona fide associations is not required to offer that health benefit plan to small employers
44 that are not members of the bona fide association.

45 (5) A small employer carrier shall issue to a small employer any small employer health benefit

1 plan offered by the carrier if the small employer applies for the plan and agrees to make the re-
2 quired premium payments and to satisfy the other provisions of the health benefit plan.

3 (6) A multiple employer welfare arrangement, professional or trade association or other similar
4 arrangement established or maintained to provide benefits to a particular trade, business, profession
5 or industry or their subsidiaries shall not issue coverage to a group or individual that is not in the
6 same trade, business, profession or industry as that covered by the arrangement. The arrangement
7 shall accept all groups and individuals in the same trade, business, profession or industry or their
8 subsidiaries that apply for coverage under the arrangement and that meet the requirements for
9 membership in the arrangement. For purposes of this subsection, the requirements for membership
10 in an arrangement shall not include any requirements that relate to the actual or expected health
11 status of the prospective enrollee.

12 (7) A small employer carrier shall, pursuant to subsections (4) and (5) of this section, offer cov-
13 erage to or accept applications from a group covered under an existing small employer health ben-
14 efit plan whether or not a prospective enrollee is excluded from coverage under the existing plan
15 because of late enrollment. When a small employer carrier accepts an application for such a group,
16 the carrier may continue to exclude the prospective enrollee excluded from coverage by the replaced
17 plan until the prospective enrollee would have become eligible for coverage under that replaced
18 plan.

19 (8) No small employer carrier shall be required to offer coverage or accept applications pursuant
20 to subsections (4) and (5) of this section if the director finds that acceptance of an application or
21 applications would endanger the carrier's ability to fulfill its contractual obligations or result in fi-
22 nancial impairment of the carrier.

23 (9) Every small employer carrier shall market fairly all small employer health benefit plans of-
24 fered by the carrier to small employers in the geographical areas in which the carrier makes cov-
25 erage available or provides benefits.

26 (10)(a) No small employer carrier shall be required to offer coverage or accept applications
27 pursuant to subsections (4) and (5) of this section in the case of any of the following:

28 (A) To a small employer if the small employer is not physically located in the carrier's approved
29 service area;

30 (B) To an employee if the employee does not work or reside within the carrier's approved ser-
31 vice areas; or

32 (C) Within an area where the carrier reasonably anticipates, and demonstrates to the satisfac-
33 tion of the director, that it will not have the capacity in its network of providers to deliver services
34 adequately to the enrollees of those groups because of its obligations to existing group contract
35 holders and enrollees.

36 (b) A carrier that does not offer coverage pursuant to paragraph (a)(C) of this subsection shall
37 not offer coverage in the applicable service area to new employer groups other than small employers
38 until the carrier resumes enrolling groups of new small employers in the applicable area.

39 (11) For purposes of ORS 743.733 to 743.737, except as provided in this subsection, carriers that
40 are affiliated carriers or that are eligible to file a consolidated tax return pursuant to ORS 317.715
41 shall be treated as one carrier and any restrictions or limitations imposed by ORS 743.733 to 743.737
42 apply as if all health benefit plans delivered or issued for delivery to small employers in this state
43 by the affiliated carriers were issued by one carrier. However, any insurance company or health
44 maintenance organization that is an affiliate of a health care service contractor located in this state,
45 or any health maintenance organization located in this state that is an affiliate of an insurance

1 company or health care service contractor, may treat the health maintenance organization as a
 2 separate carrier and each health maintenance organization that operates only one health mainte-
 3 nance organization in a service area in this state may be considered a separate carrier.

4 (12) A small employer carrier that, after September 29, 1991, elects to discontinue offering all
 5 of its small employer health benefit plans under ORS 743.737 (5)(e), elects to discontinue renewing
 6 all such plans or elects to discontinue offering and renewing all such plans is prohibited from of-
 7 fering health benefit plans in the small employer market in this state for a period of five years from
 8 one of the following dates:

9 (a) The date of notice to the director pursuant to ORS 743.737 (5)(e); or

10 (b) If notice is not provided under paragraph (a) of this subsection, from the date on which the
 11 director provides notice to the carrier that the director has determined that the carrier has effec-
 12 tively discontinued offering small employer health benefit plans in this state.

13 **SECTION 210.** ORS 743A.010 is amended to read:

14 743A.010. No policy of health insurance shall exclude from payment or reimbursement losses
 15 incurred by an insured for any covered service because the service was rendered at any hospital
 16 owned or operated by the State of Oregon or any state approved community mental health [*and*]
 17 **program or community** developmental disabilities program.

18 **SECTION 211.** ORS 743A.062 is amended to read:

19 743A.062. (1) No insurance policy or contract providing coverage for a prescription drug to a
 20 resident of this state shall exclude coverage of that drug for a particular indication solely on the
 21 grounds that the indication has not been approved by the United States Food and Drug Adminis-
 22 tration if the Health [*Resources Commission*] **Evidence Review Commission established under**
 23 **section 22 of this 2011 Act or the Pharmacy and Therapeutics Committee established under**
 24 **section 2 of this 2011 Act** determines that the drug is recognized as effective for the treatment of
 25 that indication:

26 (a) In publications that the commission **or the committee** determines to be equivalent to:

27 (A) The American Hospital Formulary [*Services*] **Service** drug information;

28 (B) "Drug Facts and Comparisons" (Lippincott-Raven Publishers);

29 (C) The United States Pharmacopoeia drug information; or

30 (D) Other publications that have been identified by the United States Secretary of Health and
 31 Human Services as authoritative;

32 (b) In the majority of relevant peer-reviewed medical literature; or

33 (c) By the United States Secretary of Health and Human Services.

34 (2) Required coverage of a prescription drug under this section shall include coverage for med-
 35 ically necessary services associated with the administration of that drug.

36 (3) Nothing in this section requires coverage for any prescription drug if the United States Food
 37 and Drug Administration has determined use of the drug to be contraindicated.

38 (4) Nothing in this section requires coverage for experimental drugs not approved for any indi-
 39 cation by the United States Food and Drug Administration.

40 (5) This section is exempt from ORS 743A.001.

41 **SECTION 212.** Section 1, chapter 426, Oregon Laws 2009, is amended to read:

42 **Sec. 1.** (1) The [*Department of Human Services*] **Oregon Health Authority** shall develop and
 43 implement a plan to increase, in underserved regions of the state, the availability of supervision and
 44 treatment for persons conditionally released under ORS 161.315 to 161.351 or 419C.529 to 419C.544.

45 (2) No later than January 15 of each odd-numbered year, the [*department*] **authority** shall sub-

1 mit, to an appropriate committee of the Legislative Assembly designated by the Speaker of the
 2 House of Representatives and the President of the Senate, a report that includes but need not be
 3 limited to:

4 (a) The contents of the plan described in subsection (1) of this section;

5 (b) An assessment of the [*department's*] **authority's** progress in meeting the goals of the plan;
 6 and

7 (c) A description of any financial or legal impediments to the implementation of the plan.

8 (3) The Psychiatric Security Review Board shall provide the [*department*] **authority** with infor-
 9 mation necessary for the [*department*] **authority** to develop and implement the plan described in
 10 subsection (1) of this section.

11 (4) As used in this section:

12 (a) "Region" means an area, determined by the [*department*] **authority**, that contains one or
 13 more counties.

14 (b) "Underserved" means that the number of persons on conditional release who are provided
 15 treatment and supervision in the region is fewer than the number of persons on conditional release
 16 statewide who were found guilty except for insanity or responsible except for insanity in the region.

17 **SECTION 213.** Section 20, chapter 595, Oregon Laws 2009, is amended to read:

18 **Sec. 20.** On or before January 2, [2012] **2014**, the Department of Human Services and the Oregon
 19 Health Authority may delegate to each other any duties, functions or powers transferred by section
 20 19, **chapter 595, Oregon Laws 2009**, [*of this 2009 Act*] that the department or the authority [*deem*]
 21 **deems** necessary for the efficient and effective operation of their respective functions.

22 **SECTION 214.** Section 29, chapter 856, Oregon Laws 2009, is amended to read:

23 **Sec. 29.** Notwithstanding any other law appropriating moneys or limiting expenditures, in car-
 24 rying out sections 1 to 3 [*of this 2009 Act the Department of Human Services*], **chapter 856, Oregon**
 25 **Laws 2009, the Oregon Health Authority** may use only funds provided by the United States Bu-
 26 reau of Justice Assistance through the American Recovery and Reinvestment Act of 2009 Edward
 27 Byrne Memorial Justice Assistance Grant Program.

28
 29 **MISCELLANEOUS PROVISIONS**

30
 31 **SECTION 215.** **The Mental Health Services Fund is established in the State Treasury,**
 32 **separate and distinct from the General Fund. The Mental Health Services Fund comprises**
 33 **moneys collected or received by the Oregon Health Authority, the Department of Human**
 34 **Services and the Department of Corrections under ORS 179.640, 426.241 and 430.165 for the**
 35 **purposes of paying the costs of:**

36 (1) **Services provided to a person in a state institution, as defined in ORS 179.610;**

37 (2) **Emergency psychiatric care, custody and treatment paid for by a county under ORS**
 38 **426.241;**

39 (3) **Emergency care, custody or treatment provided to a person admitted to or detained**
 40 **in a state mental hospital under ORS 426.070, 426.140, 426.180 to 426.210, 426.228, 426.232 or**
 41 **426.233; and**

42 (4) **Programs operating under ORS 430.265, 430.306 to 430.375, 430.405, 430.415, 430.850 to**
 43 **430.880, 813.500 and 813.510.**

44 **SECTION 216.** **Notwithstanding any other provision of law, ORS 411.459 shall not be con-**
 45 **sidered to have been added to or made a part of ORS chapter 411 for the purpose of statutory**

1 compilation or for the application of definitions, penalties or administrative provisions ap-
2 plicable to statute sections in that chapter.

3 SECTION 217. ORS 409.310, 409.330, 410.110, 414.332, 414.338, 414.350, 414.355, 414.360,
4 414.365, 414.370, 414.375, 414.380, 414.385, 414.390, 414.395, 414.400, 414.410, 414.415, 414.715,
5 414.720, 414.741, 430.170, 442.575, 442.580, 442.581, 442.583, 442.584, 442.588, 442.589 and 735.711
6 and section 13, chapter 827, Oregon Laws 2009, are repealed.

7 SECTION 218. The unit captions used in this 2011 Act are provided only for the conven-
8 ience of the reader and do not become part of the statutory law of this state or express any
9 legislative intent in the enactment of this 2011 Act.

10
11 **EMERGENCY CLAUSE**
12

13 SECTION 219. This 2011 Act being necessary for the immediate preservation of the public
14 peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect
15 on its passage.
16
