

Senate Bill 578

Sponsored by Senator BATES

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**.

Requires Oregon Health Authority to prescribe by rule criteria for health care facilities to be designated as nonprofit and to certify each designation. Requires facility to pay fine for violation. Fines are deposited to Health Care Accountability Fund and continuously appropriated to authority for implementation and enforcement.

A BILL FOR AN ACT

1
2 Relating to nonprofit health care facilities; and appropriating money.

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

4 **SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS 442.400 to**
5 **442.463.**

6 **SECTION 2. (1) A health care facility may not hold itself out to the public as being a**
7 **nonprofit facility unless the facility meets criteria established by rule by the Oregon Health**
8 **Authority under this section.**

9 **(2) The authority shall adopt by rule, based on analyses and studies conducted under ORS**
10 **442.400 to 442.463, the criteria for a health care facility to be designated as a nonprofit for**
11 **the purposes of this section. The criteria must take into account, but are not limited to the**
12 **following:**

13 **(a) Profit earned by the facility;**

14 **(b) Assets of the facility;**

15 **(c) Executive compensation; and**

16 **(d) Community benefits and charity care provided by the facility.**

17 **(3) If the authority determines that a health care facility meets the criteria established**
18 **under this section, the authority shall certify the facility to be a nonprofit. If the authority**
19 **denies certification, the authority shall issue a notice and offer an opportunity for a con-**
20 **tested case hearing in accordance with ORS chapter 183.**

21 **(4) The authority shall prescribe the form and manner for health care facilities to report**
22 **information necessary to make the determination under subsection (3) of this section.**

23 **(5) After notice and an opportunity for a hearing under ORS chapter 183, the authority**
24 **shall impose a fine on any health care facility that violates subsection (1) of this section. All**
25 **finances shall be deposited in the Health Care Accountability Fund established in section 3 of**
26 **this 2011 Act.**

27 **SECTION 3. The Health Care Accountability Fund is established in the State Treasury,**
28 **separate and distinct from the General Fund. Interest earned by the Health Care Account-**
29 **ability Fund shall be credited to the fund. Moneys in the fund are continuously appropriated**
30 **to the Oregon Health Authority for implementing and enforcing the provisions of section 2**

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 **of this 2011 Act.**

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