

**Enrolled**  
**Senate Bill 608**

Sponsored by COMMITTEE ON JUDICIARY

CHAPTER .....

AN ACT

Relating to subsidy program for medical professional liability insurance premiums paid by rural health practitioners; appropriating money; and declaring an emergency.

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

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

(a) "Medical assistance" has the meaning given that term in ORS 414.025.

(b) "Medicare" means medical coverage provided under Title XVIII of the Social Security Act.

(c)(A) "Practitioner" means a physician licensed under ORS chapter 677 or a nurse practitioner certified under ORS 678.375 who has a rural practice that meets criteria established by the Office of Rural Health that applied as of January 1, 2004, for the purposes of ORS 315.613.

(B) "Practitioner" does not include a physician or nurse practitioner who is located in an urbanized area of Jackson County, as defined by the United States Census Bureau according to the most recent federal decennial census taken pursuant to the authority of the United States Department of Commerce under 13 U.S.C. 141(a), unless the practitioner is:

(i) A physician who specializes in obstetrics or who specializes in family or general practice and provides obstetrical services; or

(ii) A nurse practitioner who is certified for obstetric care.

(2) The Oregon Health Authority shall establish a program to provide payments to medical professional liability insurance insurers to subsidize the cost of premiums charged by the insurers to practitioners described in subsection (3) of this section.

(3) A practitioner is eligible for a subsidy under this section if the practitioner:

(a) Holds an active, unrestricted license or certification;

(b) Is covered by a medical professional liability insurance policy issued by an authorized insurer with minimum limits of coverage of \$1 million per occurrence and \$1 million annual aggregate; and

(c) Except for a nurse practitioner participating in the program who is employed by a licensed physician, is willing to serve patients with Medicare coverage and patients receiving medical assistance in at least the same proportion to the practitioner's total number of patients as the Medicare and medical assistance populations represent of the total number of individuals determined by the Office of Rural Health to be in need of care in the areas served by the practice.

(4) A practitioner whose medical professional liability insurance coverage is provided through a health care facility, as defined in ORS 442.400, and who otherwise meets the re-

quirements of subsection (3) of this section is eligible for a subsidy if the office determines that the practitioner:

- (a) Is not an employee of the health care facility;
- (b) Is covered by a medical professional liability insurance policy that names the practitioner and separately calculates the premium for the practitioner; and
- (c) Fully reimburses the health care facility for the premium calculated for the practitioner.

(5) The Oregon Health Authority shall contract with the Office of Rural Health to establish by rule criteria and procedures for an annual attestation by participating practitioners of compliance with the requirements of subsection (3)(c) of this section.

**SECTION 2.** (1)(a) The amount of the subsidy paid by the Oregon Health Authority under section 1 of this 2011 Act shall be a percentage of the actual premium charged for medical professional liability insurance with limits of coverage of \$1 million per occurrence and up to \$3 million annual aggregate. However, the premium subsidy for a practitioner referred to in paragraph (b)(C) or (D) of this subsection shall be the lesser of the percentage of the premium due or paid for the current calendar year and the premium paid in the previous calendar year. When determining the lesser amount under this paragraph, any step increases in the premium owing to the claims-made nature of the policy may not be considered.

(b) The subsidy paid by the Oregon Health Authority under section 1 of this 2011 Act shall be:

(A) Eighty percent for physicians specializing in obstetrics and nurse practitioners certified for obstetric care;

(B) Sixty percent for physicians specializing in family or general practice who provide obstetrical services;

(C) Forty percent for physicians and nurse practitioners engaging in one or more of the following practices:

- (i) Family practice without obstetrical services;
- (ii) General practice without obstetrical services;
- (iii) Internal medicine;
- (iv) Geriatrics;
- (v) Pulmonary medicine;
- (vi) Pediatrics;
- (vii) General surgery; and
- (viii) Anesthesiology; and

(D) Fifteen percent for physicians and nurse practitioners other than those included in subparagraphs (A) to (C) of this paragraph.

(2) If the funds available for the subsidy program are insufficient to provide the maximum premium subsidy for all practitioners who qualify for the program, the authority shall reduce or eliminate subsidies for practitioners described in subsection (1)(b)(D) of this section. If, after eliminating subsidies for practitioners described in subsection (1)(b)(D) of this section, the funds are insufficient to provide the maximum premium subsidies for the remaining practitioners, the authority shall also reduce or eliminate the subsidies for practitioners described in subsection (1)(b)(C) of this section.

(3) An insurer shall reduce the premium charged to a practitioner by the amount of any premium subsidy paid or to be paid under this section and section 1 of this 2011 Act.

**SECTION 3.** (1) The Rural Medical Liability Subsidy Fund is established in the State Treasury separate and distinct from the General Fund. The Rural Medical Liability Subsidy Fund is established for the purpose of providing payments under the subsidy program established under section 1 of this 2011 Act. Interest earned by the Rural Medical Liability Subsidy Fund shall be credited to the fund. All moneys in the fund are continuously appropriated to the Oregon Health Authority.

(2) All moneys received by the Oregon Health Authority for the purposes of the subsidy program established in section 1 of this 2011 Act shall be deposited to the Rural Medical Liability Subsidy Fund.

(3) All payments authorized to be made by the authority under the subsidy program established under section 1 of this 2011 Act shall be made from the Rural Medical Liability Subsidy Fund.

**SECTION 4.** (1) Sections 1 and 2 of this 2011 Act become operative on January 1, 2012.

(2) The Oregon Health Authority and the Office of Rural Health may take any actions on or after the effective date of this 2011 Act that are necessary to carry out the provisions of sections 1 and 2 of this 2011 Act on January 1, 2012.

**SECTION 5.** The Oregon Health Authority may pay a premium subsidy under section 1 of this 2011 Act for medical liability insurance policies issued, in force or renewed on or after January 1, 2012.

**SECTION 6.** On or before January 31 of each odd-numbered year, the Director of the Oregon Health Authority shall report in the manner provided by ORS 192.245 to the Legislative Assembly on the performance of the program established under section 1 of this 2011 Act.

**SECTION 7.** This 2011 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect on its passage.

Passed by Senate June 14, 2011

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Robert Taylor, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House June 20, 2011

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Bruce Hanna, Speaker of House

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Arnie Roblan, Speaker of House

Received by Governor:

.....M,....., 2011

Approved:

.....M,....., 2011

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John Kitzhaber, Governor

Filed in Office of Secretary of State:

.....M,....., 2011

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Kate Brown, Secretary of State