

Senate Bill 608

Sponsored by COMMITTEE ON JUDICIARY

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 program to provide subsidies for medical professional liability insurance premiums paid by health practitioners located in underserved rural communities. Establishes criteria for participation in program and subsidy amounts. Establishes Rural Medical Liability Subsidy Fund. Requires biennial report to Legislative Assembly on performance of program.

Appropriates moneys from General Fund to Oregon Health Authority to develop and implement program.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to subsidy program for medical professional liability insurance premiums paid by rural
3 health practitioners; appropriating money; and declaring an emergency.

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

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

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

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

9 (c) **"Practitioner" means a physician licensed under ORS chapter 677 or a nurse practi-
10 tioner certified under ORS 678.375.**

11 (d) **"Underserved rural community" has the meaning given that term in 42 C.F.R. 5a.3.**

12 (2) **The Oregon Health Authority shall establish a program to provide subsidies for the
13 cost of medical professional liability insurance premiums charged to practitioners described
14 in subsection (3) of this section.**

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

16 (a) **Has a practice that is located in an underserved rural community;**

17 (b) **Holds an active, unrestricted license or certification;**

18 (c) **Has an in-force policy of medical professional liability insurance issued by an author-
19 ized insurer with minimum limits of coverage of \$1 million per occurrence and \$1 million
20 aggregate; and**

21 (d) **Is willing to serve patients with Medicare coverage and patients receiving medical
22 assistance in at least the same proportion to the practitioner's total number of patients as
23 the Medicare and medical assistance populations represent to the total number of individuals
24 determined by the Office of Rural Health to be in need of care in the areas served by the
25 practice. The Office of Rural Health shall establish by rule criteria for and procedures for
26 an annual attestation of compliance by participating practitioners with the requirements of
27 this paragraph. The requirements of this paragraph do not apply to a nurse practitioner
28 participating in the program who is employed by a licensed physician.**

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 (4) A practitioner whose medical professional liability insurance coverage is provided
 2 through a health care facility, as defined in ORS 442.400, and who otherwise meets the re-
 3 quirements of subsection (3) of this section is eligible for a subsidy payment if the office
 4 determines that the practitioner:

5 (a) Is not an employee of the health care facility;

6 (b) Is covered by a medical professional liability insurance policy that names the practi-
 7 tioner and separately calculates the premium for the practitioner; and

8 (c) Fully reimburses the health care facility for the premium calculated for the practi-
 9 tioner.

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

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

20 (A) 80 percent for physicians specializing in obstetrics and nurse practitioners certified
 21 for obstetric care;

22 (B) 60 percent for physicians specializing in family or general practice who provide
 23 obstetrical services;

24 (C) Up to 40 percent, as determined by the authority, for physicians and nurse practi-
 25 tioners engaging in one or more of the following practices:

26 (i) Family practice without obstetrics;

27 (ii) General practice;

28 (iii) Internal medicine;

29 (iv) Geriatrics;

30 (v) Pulmonary medicine;

31 (vi) Pediatrics;

32 (vii) General surgery; and

33 (viii) Anesthesiology; and

34 (D) Up to 15 percent, as determined by the authority, for physicians and nurse practi-
 35 tioners other than those included in paragraphs (b)(A) to (C) of this subsection.

36 (2) If the funds available for the subsidy program are insufficient to provide the maxi-
 37 mum premium subsidy to all practitioners who qualify for the program, the authority shall
 38 reduce or eliminate subsidies to practitioners described in subsection (1)(b)(D) of this section.
 39 If, after eliminating subsidies for practitioners described in subsection (1)(b)(D) of this sec-
 40 tion, the funds are insufficient to provide the maximum premium subsidies to the remaining
 41 practitioners, the authority shall also reduce or eliminate the subsidies to practitioners de-
 42 scribed in subsection (1)(b)(C) of this section.

43 **SECTION 3.** (1) The Rural Medical Liability Subsidy Fund is established in the State
 44 Treasury separate and distinct from the General Fund. The Rural Medical Liability Subsidy
 45 Fund is established for the purpose of providing payments under the subsidy program es-

1 **tablished under section 1 of this 2011 Act. Interest earned by the Rural Medical Liability**
2 **Subsidy Fund shall be credited to the fund. All moneys in the fund are continuously appro-**
3 **priated to the Oregon Health Authority.**

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

7 **(3) All payments authorized to be made by the authority under the subsidy program es-**
8 **tablished under section 1 of this 2011 Act shall be made from the Rural Medical Liability**
9 **Subsidy Fund.**

10 **SECTION 4. On the effective date of this 2011 Act, all moneys remaining in the Rural**
11 **Medical Liability Reinsurance Fund established by section 5, chapter 781, Oregon Laws 2003,**
12 **shall be transferred to and deposited in the Rural Medical Liability Subsidy Fund established**
13 **in section 3 of this 2011 Act.**

14 **SECTION 5. The Oregon Health Authority may pay a premium subsidy under section 1**
15 **of this 2011 Act for medical liability insurance policies issued or renewed on or after January**
16 **1, 2012.**

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

21 **SECTION 7. There is appropriated to the Oregon Health Authority, out of the General**
22 **Fund, the amount of \$_____ for the purpose of developing and implementing the**
23 **subsidy program under sections 1 to 3 of this 2011 Act.**

24 **SECTION 8. This 2011 Act being necessary for the immediate preservation of the public**
25 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**
26 **on its passage.**

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