

B-Engrossed
Senate Bill 440

Ordered by the Senate April 23
Including Senate Amendments dated February 13 and April 23

Sponsored by Senators STEINER HAYWARD, THOMSEN; Senators BAERTSCHIGER JR, BEYER, COURTNEY, DEVLIN, EDWARDS, GEORGE, JOHNSON, KNOPP, KRUSE, MONNES ANDERSON, MONROE, OLSEN, ROSENBAUM, SHIELDS, WHITSETT (Presession filed.)

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.

Creates primary care provider loan repayment program and establishes Primary Care Provider Loan Repayment Fund. [*Appropriates moneys to Oregon Health Authority to be deposited in fund and used to operate*] **Requires Oregon Health Authority to transfer moneys from Oregon Health Authority Fund to Primary Care Provider Loan Repayment Fund for purpose of operating primary care provider loan repayment program.**

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to primary care providers; creating new provisions; amending ORS 442.563, 442.568, 442.570
3 and 677.141; repealing ORS 442.550, 442.555 and 442.560; appropriating money; and declaring an
4 emergency.

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

6 **SECTION 1. (1) There is created in the Oregon Health Authority the primary care pro-**
7 **vider loan repayment program for the purpose of assisting primary care providers who have**
8 **committed to serving medical assistance recipients in rural or medically underserved areas**
9 **of the state.**

10 **(2) The authority shall prescribe by rule:**

11 **(a) Participant eligibility criteria, including the types of primary care providers who may**
12 **participate in the program;**

13 **(b) The terms and conditions of participation in the program, including the duration of**
14 **the term for which a participant makes a commitment under subsection (1) of this section;**

15 **(c) The types of loans for which payments may be provided;**

16 **(d) The priority for distribution of funds available under section 2 of this 2013 Act if the**
17 **funds are insufficient to provide assistance to all of the applicants who are eligible to par-**
18 **ticipate in the program; and**

19 **(e) The financial penalties imposed on a participant who fails to complete the term of the**
20 **commitment.**

21 **(3) The authority may enter into contracts with one or more public or private entities**
22 **to administer the program or parts of the program.**

23 **SECTION 2. (1) There is established the Primary Care Provider Loan Repayment Fund**
24 **in the State Treasury, separate and distinct from the General Fund. Interest earned by the**
25 **Primary Care Provider Loan Repayment Fund is credited to the fund. The Primary Care**

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 **Provider Loan Repayment Fund consists of moneys appropriated from the General Fund,**
2 **federal moneys received for the purpose of operating the primary care provider loan repay-**
3 **ment program and financial penalties recovered by the Oregon Health Authority from pri-**
4 **mary care providers who fail to meet their service obligations. Moneys in the Primary Care**
5 **Provider Loan Repayment Fund are continuously appropriated to the authority to be used**
6 **to implement and operate the primary care provider loan repayment program.**

7 (2) **The authority may accept gifts, grants, bequests, endowments and donations from**
8 **public or private sources for deposit into the Primary Care Provider Loan Repayment Fund.**

9 **SECTION 3.** **The Oregon Health Authority shall, not later than June 30, 2015, transfer**
10 **up to \$4 million from the Oregon Health Authority Fund established by ORS 413.101 to the**
11 **Primary Care Provider Loan Repayment Fund established under section 2 of this 2013 Act.**

12 **SECTION 4.** **ORS 442.550, 442.555 and 442.560 are repealed on January 2, 2014.**

13 **SECTION 5.** ORS 442.563 is amended to read:

14 442.563. (1) [*Subject to ORS 442.560,*] The Office of Rural Health shall establish criteria for cer-
15 tifying individuals eligible for the tax credit authorized by ORS 315.613, 315.616 or 315.619. Upon
16 application therefor, the office shall certify individuals eligible for the tax credit authorized by ORS
17 315.613.

18 (2) The classification of rural hospitals for purposes of determining eligibility under this section
19 shall be the classification of the hospital in effect on January 1, 1991.

20 **SECTION 6.** ORS 442.568 is amended to read:

21 442.568. (1) The Oregon Health and Science University shall develop and implement a program
22 to focus recruitment efforts on students who reside in or who are interested in practicing in rural
23 [*areas*] **or medically underserved areas of this state.**

24 (2) The university shall reserve a number of admissions to each class at the medical school for
25 [*qualified students who agree to participate in the Primary Care Services Program. The number of*
26 *admissions under this section is not required to exceed 15 percent of each class, but that figure is a*
27 *goal consistent with the long term intention of the Legislative Assembly to encourage the availability*
28 *of medical services in rural areas.*] **qualified students who demonstrate an interest in practicing**
29 **medicine in rural or medically underserved areas of this state. Once the students are ad-**
30 **mitted, the university shall support them with resources such as clinical rotations in rural**
31 **or medically underserved areas, programs that allow a student to complete a clerkship in**
32 **family medicine and rural and community health in a single rural Oregon community and**
33 **technical assistance with accessing education loan and assistance programs. Not more than**
34 **15 percent of the students in each class shall be admitted under this section, consistent with**
35 **the intent of the Legislative Assembly to encourage the availability of medical services in**
36 **rural and medically underserved areas of this state.**

37 (3) In the event that the university is unable to recruit the number of qualified students required
38 under subsection (2) of this section, after having made a reasonable effort to do so, the university
39 is authorized to fill the remaining positions with other eligible candidates.

40 **SECTION 7.** ORS 442.570 is amended to read:

41 442.570. (1) There is established in the State Treasury a fund, separate and distinct from the
42 General Fund, to be known as the Primary Care Services Fund. Moneys in the Primary Care Ser-
43 vices Fund are continuously appropriated to the Oregon Department of Administrative Services for
44 allocation to the Office of Rural Health for investments as provided by ORS 293.701 to 293.820, for
45 expenses and payments by the office in carrying out the purposes of ORS 315.613, 315.616, 315.619,

1 353.450, 442.470, 442.503 and 442.550 to 442.570. Interest earned by the fund shall be credited to the
2 fund.

3 (2) The office shall seek matching funds from the federal government and from communities that
4 benefit from placement of participants under ORS 442.550 to 442.570. The office shall establish a
5 program to enroll interested communities in this program and deposit moneys from the matching
6 funds [*and from the Primary Care Services Program*] in the Primary Care Services Fund. In addition,
7 the office shall explore other funding sources including federal grant programs.

8 **SECTION 8.** ORS 677.141 is amended to read:

9 677.141. (1) A physician issued a license under ORS 677.139 is subject to all the provisions of
10 this chapter and to all the rules of the Oregon Medical Board. A physician issued a license under
11 ORS 677.139 has the same duties and responsibilities and is subject to the same penalties and
12 sanctions as any other physician licensed under this chapter.

13 (2) A physician issued a license under ORS 677.139 may not:

14 (a) Act as a dispensing physician as defined in ORS 677.010;

15 (b) Administer controlled substances for the treatment of intractable pain to a person located
16 within this state;

17 (c) Employ a physician assistant as defined in ORS 677.495 to treat a person located within this
18 state;

19 (d) Claim the tax deduction provided by ORS 316.076;

20 (e) Participate in the [*Primary Care Services Program under ORS 442.550 to 442.570*] **primary**
21 **care provider loan repayment program created in section 1 of this 2013 Act**; or

22 (f) Assert a lien for services under ORS 87.555.

23 (3) A physician licensed under ORS 677.139 shall comply with all patient confidentiality re-
24 quirements of this state, except as those requirements are expressly prohibited by the law of any
25 other state of the United States where a person's medical records are maintained.

26 **SECTION 9. This 2013 Act being necessary for the immediate preservation of the public**
27 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**
28 **on its passage.**

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