

**A-Engrossed**  
**House Bill 2413**

Ordered by the House April 23  
Including House Amendments dated April 23

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D., for Department of Human Services)

**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.

*[Requires Department of Human Services to report to Legislative Assembly changes necessary to achieve goal of reducing long term care facility bed capacity.]*

**Prohibits licensing agency from issuing initial license to residential care facility that has not conducted market study.**

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to long term care facilities; amending ORS 443.420; and declaring an emergency.

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

4 **SECTION 1.** ORS 443.420 is amended to read:

5 443.420. (1) A person applying for a license under ORS 443.415 must, in the judgment of the di-  
6 rector of the licensing agency, be a person:

7 (a) Who demonstrates an understanding and acceptance of the rules governing residential facil-  
8 ities;

9 (b) Mentally and physically capable of caring for such residents; and

10 (c) Who employs or utilizes only individuals whose presence does not jeopardize the health,  
11 safety or welfare of residents.

12 (2) A residential facility shall not be operated or maintained in combination with a nursing home  
13 or hospital unless licensed, maintained and operated as a separate and distinct part.

14 (3) All physical residential facilities used for residents shall meet applicable requirements of the  
15 State Fire Marshal.

16 (4) Prior to licensure, a residential facility must be in substantial compliance with applicable  
17 state and local laws, rules, codes, ordinances and permit requirements.

18 (5) Prior to licensure, a residential facility that proposes to house persons under the age of 21  
19 years shall submit written proof to the licensing agency demonstrating that the facility will:

20 (a) Comply with ORS 336.575; and

21 (b) Ensure that the children who reside at the residential facility receive appropriate educa-  
22 tional services that are:

23 (A) Comprehensive and age-appropriate;

24 (B) In compliance with requirements of state and federal law; and

25 (C) If applicable, in compliance with the individual education program of the child.

26 (6) Prior to an initial licensure of a residential care facility, the licensing agency shall consider:

**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 (a) The license applicant's history of regulatory compliance and operational experience;  
2 [(b) *The need in the local community for the services offered by the license applicant, as demon-*  
3 *strated by a market study produced by the license applicant;*]

4 [(c)] (b) The willingness of the license applicant to serve underserved populations; and

5 [(d)] (c) The willingness of the license applicant to contract with the licensing agency to provide  
6 services through the state medical assistance program.

7 **(7) The licensing agency may not issue an initial license to a residential care facility if**  
8 **the facility has not conducted a market study that assesses the need for the services offered**  
9 **by the facility in the geographic area served by the facility.**

10 **SECTION 2. This 2015 Act being necessary for the immediate preservation of the public**  
11 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**  
12 **on its passage.**

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