

**PROPOSED AMENDMENTS TO  
A-ENGROSSED HOUSE BILL 3396**

1 On page 1 of the printed A-engrossed bill, line 2, after “ORS” delete the  
2 rest of the line and delete line 3 and insert “348.570, 442.574 and 677.141 and  
3 section 25, chapter 913, Oregon Laws 2009; repealing ORS 348.303, 413.018,  
4 413.127, 413.233, 442.535, 442.540, 442.545, 442.573, 676.550, 676.552, 676.554 and  
5 676.556; and declaring an emergency.

6 “Whereas the State of Oregon spends approximately \$30 million each year  
7 on various incentive programs for medical professionals; and

8 “Whereas the incentive programs are effective but it is unclear whether  
9 the programs produce the best results for the tax dollars spent on the pro-  
10 grams; and

11 “Whereas taxpayers deserve to have confidence that their tax dollars are  
12 being spent in the most thoughtful way possible; and

13 “Whereas Oregonians and medical professionals in rural and medically  
14 underserved areas need assurances that critical health care programs will  
15 not be shut down without effective programs to replace them; and

16 “Whereas this 2015 Act is intended to initiate a close look at how tax  
17 dollars are spent to ensure that taxpayers enjoy the best value possible; and

18 “Whereas this 2015 Act is not intended to allow for incentive programs  
19 to be shut down before the programs can be retooled or replaced with more  
20 effective programs; now, therefore,”.

21 Delete lines 5 through 24 and delete pages 2 through 4 and insert:  
22

1                   **“HEALTH CARE PROVIDER INCENTIVE PROGRAMS**

2  
3           **“SECTION 1. The Health Care Provider Incentive Fund is estab-**  
4 **lished in the State Treasury, separate and distinct from the General**  
5 **Fund. Interest earned by the Health Care Provider Incentive Fund**  
6 **shall be credited to the fund. Moneys in the fund are continuously**  
7 **appropriated to the Oregon Health Authority to carry out ORS 442.574**  
8 **and section 2 of this 2015 Act.**

9           **“SECTION 2. (1) There is created in the Oregon Health Authority**  
10 **a loan repayment program for the purpose of assisting primary care**  
11 **providers who have committed to serving medical assistance recipients**  
12 **in rural or medically underserved areas of this state.**

13           **“(2) The authority shall prescribe by rule:**

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

16           **“(b) The terms and conditions of participation in the program, in-**  
17 **cluding the duration of the term for which a participant makes a**  
18 **commitment under subsection (1) of this section;**

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

20           **“(d) The priority for distribution of funds allocated to the program**  
21 **from the Health Care Provider Incentive Fund established under sec-**  
22 **tion 1 of this 2015 Act if the funds are insufficient to provide assistance**  
23 **to all of the applicants who are eligible to participate in the program;**  
24 **and**

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

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

29           **“SECTION 3. All of the unexpended balances of amounts authorized**  
30 **to be expended for the biennium beginning July 1, 2017, shall be**

1 transferred from the Primary Health Care Loan Forgiveness Program  
2 Fund established in ORS 442.573 and deposited in the Health Care  
3 Provider Incentive Fund established under section 1 of this 2015 Act.

4 **“SECTION 4. (1) The Oregon Health Policy Board shall study the**  
5 **effectiveness of current financial incentives offered by the state to**  
6 **recruit and maintain primary care providers in rural and medically**  
7 **underserved areas. The board shall develop recommendations for the**  
8 **Legislative Assembly with respect to the continuation, restructuring,**  
9 **consolidation or repeal of existing incentives and may recommend new**  
10 **incentives. The recommendations must address:**

11 **“(a) Financial assistance programs for students in both the publicly**  
12 **funded and private institutions in this state that provide post-graduate**  
13 **training in medical fields;**

14 **“(b) Loans, grants or other financial incentives to hospitals and**  
15 **teaching health centers for the purpose of establishing or expanding**  
16 **primary care residency programs, including recommendations for the**  
17 **eligibility criteria, repayment provisions, interest rates and other re-**  
18 **quirements for financial incentives;**

19 **“(c) Low-interest loans, short-term emergency funding or grants for**  
20 **type A, B and C hospitals that are at risk of closure due to financial**  
21 **instability;**

22 **“(d) Direct subsidies or bonus payments to primary care practi-**  
23 **tioners for services provided in medically underserved areas;**

24 **“(e) Creating a retirement plan to offer to licensed or certified**  
25 **providers as an incentive to provide primary care, including oral and**  
26 **mental health care, in medically underserved areas and to medically**  
27 **underserved populations in this state;**

28 **“(f) The criteria for existing tax credits, including adding means**  
29 **testing or time limits;**

30 **“(g) Opportunities that are available to secure private or public,**

1 local or federal matching funds; and

2 “(h) The definitions of medically underserved areas and primary  
3 care.

4 “(2) In developing recommendations, the Oregon Health Policy  
5 Board may consult with the Graduate Medical Education Consortium,  
6 the Health Care Workforce Committee, the Oregon State Board of  
7 Nursing and other health care practitioner licensing boards.

8 “(3) The Oregon Health Policy Board may contract with a public  
9 or private entity to assist in the development of recommendations  
10 under this section.

11 “(4) The Oregon Health Policy Board shall report to the appropriate  
12 legislative committees on the progress in developing recommendations  
13 during the interim committee meetings in September and November  
14 of 2015. The board shall report its final recommendations to the Leg-  
15 islative Assembly, in the manner prescribed by ORS 192.245, no later  
16 than February 1, 2016.

17 “SECTION 5. In addition to and not in lieu of any other appropri-  
18 ation, there is appropriated to the Oregon Health Authority, for the  
19 biennium beginning July 1, 2015, out of the General Fund, the amount  
20 of \$\_\_\_\_\_, which may be expended for carrying out section 4 of this  
21 2015 Act.

22 “SECTION 6. ORS 442.574 is amended to read:

23 “442.574. (1) As used in this section:

24 “(a) ‘Participant’ means a person who has been selected by the [*Office of*  
25 *Rural Health*] **Oregon Health Authority** to receive a loan under subsection  
26 (4) of this section.

27 “(b) ‘Primary care practitioner’ means a:

28 “(A) Physician licensed under ORS chapter 677;

29 “(B) Physician assistant licensed under ORS 677.505 to 677.525; or

30 “(C) Nurse practitioner licensed under ORS 678.375.

1 “(c) ‘Prospective primary care practitioner’ means a person who is en-  
2 rolled in a medical education program that meets the educational require-  
3 ments for licensure as a physician, physician assistant or nurse practitioner.

4 “(d) ‘Service agreement’ means the agreement executed by a prospective  
5 primary care practitioner under subsection (3) of this section.

6 “(2) There is created the Primary Health Care Loan Forgiveness Program,  
7 to be administered by the [office] **authority** pursuant to rules adopted by the  
8 [office] **authority**.

9 “(3) A prospective primary care practitioner who wishes to participate in  
10 the program shall submit an application to the [office] **authority** in accord-  
11 ance with rules adopted by the [office] **authority**. To be eligible to be a  
12 participant in the program, a prospective primary care practitioner must:

13 “(a) Have completed the first year of the prospective primary care  
14 practitioner’s medical education;

15 “(b) Be enrolled in a medical education program in Oregon that empha-  
16 sizes training rural health care practitioners and is approved by the [office]  
17 **authority**;

18 “(c) Execute a service agreement stating that, immediately upon the pro-  
19 spective primary care practitioner’s completion of residency or training as  
20 established by the [office] **authority** by rule, the prospective primary care  
21 practitioner will practice as a primary care practitioner in a rural setting  
22 in this state approved by the [office] **authority** for at least as many years  
23 as the number of years for which the practitioner received loans from the  
24 Primary Health Care Loan Forgiveness Program; and

25 “(d) Meet other requirements established by the [office] **authority** by rule.

26 “(4) The [office] **authority** may select participants from among the pro-  
27 spective primary care practitioners who submit applications as provided in  
28 subsection (3) of this section. The [office] **authority** shall give preference to  
29 a prospective primary care practitioner who agrees to practice in a commu-  
30 nity that agrees to contribute funds to the [*Primary Health Care Loan*

1 *Forgiveness Program Fund established in ORS 442.573*] **Health Care Pro-**  
2 **vider Incentive Fund established under section 1 of this 2015 Act.**

3 “(5) The *[office]* **authority** shall provide an annual loan of up to \$35,000  
4 to each participant to cover expenses related to the participant’s medical  
5 education, on terms established by the *[office]* **authority** by rule. The loan  
6 must be evidenced by a written obligation but no additional security may be  
7 required.

8 “(6) Repayment of loans provided under subsection (5) of this section is  
9 deferred while a participant is in compliance with the service agreement.

10 “(7) At the end of each full year that a participant complies with the  
11 service agreement, the *[office]* **authority** shall forgive one annual loan pro-  
12 vided to the participant under subsection (5) of this section.

13 “(8)(a) A person receiving a loan under subsection (5) of this section who  
14 fails to complete the residency or training as required by the *[office]* **au-**  
15 **thority** by rule shall repay the amount received to the Primary Health Care  
16 Loan Forgiveness Program plus 10 percent interest on the unpaid balance,  
17 accrued from the date the loan was granted.

18 “(b) A person receiving a loan under subsection (5) of this section who  
19 completes the residency or training required by the *[office]* **authority** by rule  
20 but fails to fulfill the obligations required by the service agreement shall  
21 repay the amount received to the Primary Health Care Loan Forgiveness  
22 Program plus 10 percent interest on the unpaid balance, accrued from the  
23 date the loan was granted. Additionally, a penalty fee equal to 25 percent  
24 of the amount received shall be assessed against the person. No interest ac-  
25 crues on the penalty. The *[office]* **authority** shall establish rules to allow  
26 waiver of all or part of the penalty owed to the program due to circum-  
27 stances that prevent the participant from fulfilling the service obligation.

28 “(9) Payments on loans provided under subsection (5) of this section shall  
29 be deposited in the *[Primary Health Care Loan Forgiveness Program Fund*  
30 *established in ORS 442.573]* **Health Care Provider Incentive Fund estab-**

1 **lished under section 1 of this 2015 Act.**

2 “(10) If a participant defaults on a loan provided under section (5) of this  
3 section:

4 “(a) Any amounts due may be collected by the Collections Unit in the  
5 Department of Revenue under ORS 293.250; or

6 “(b) The Oregon Health and Science University may contract with a col-  
7 lections agency to collect any amounts due.

8 “(11) Any amounts collected under subsection (10) of this section **or re-**  
9 **ceived under subsection (12) of this section** shall be deposited in the  
10 [*Primary Health Care Loan Forgiveness Program Fund established in ORS*  
11 *442.573*] **Health Care Provider Incentive Fund established under section**  
12 **1 of this 2015 Act.**

13 “(12) The [*office*] **authority** may accept funds from any public or private  
14 source for the purposes of carrying out the provisions of this section.

15 “**SECTION 7.** Section 25, chapter 913, Oregon Laws 2009, as amended by  
16 section 10, chapter 750, Oregon Laws 2013, is amended to read:

17 “**Sec. 25.** (1) Except as provided in subsection (2) of this section, a credit  
18 may not be claimed under ORS 315.613 for tax years beginning on or after  
19 January 1, [2016] **2018.**

20 “(2) A taxpayer who meets the eligibility requirements in ORS 315.613 for  
21 the tax year beginning on or after January 1, [2013] **2017**, and before January  
22 1, [2014] **2018**, shall be allowed the credit under ORS 315.613 for any tax year:

23 “(a) That begins on or before January 1, [2023] **2027**; and

24 “(b) For which the taxpayer meets the eligibility requirements of ORS  
25 315.613.

26

27 **“REPEAL OF PROVIDER RECRUITMENT PROGRAMS**

28

29 “**SECTION 8.** ORS 348.570 is amended to read:

30 “348.570. (1) There is established in the State Treasury a fund, separate

1 and distinct from the General Fund, to be known as the Oregon Student  
2 Assistance Fund for investment as provided by ORS 293.701 to 293.857 and  
3 for the payment of the expenses of the Higher Education Coordinating  
4 Commission in carrying out the purposes of ORS 348.210 to 348.250, 348.285,  
5 348.505 to 348.615, 348.696 and 348.992. Interest earned by the fund shall be  
6 credited to the fund.

7 “(2) There is established in the State Treasury a fund, separate and dis-  
8 tinct from the General Fund, to be known as the Alternative Student Loan  
9 Program Fund for investment as provided by ORS 293.701 to 293.857 and for  
10 the payment of expenses of the commission in carrying out the purposes of  
11 ORS 348.625 to 348.695. This fund, including the interest earnings on the  
12 fund, if any, is continuously appropriated to the commission for those pur-  
13 poses for which such funds were provided to, received or collected by the  
14 commission.

15 “[*(3)(a) There is established in the General Fund an account to be known*  
16 *as the Nursing Services Account. Funds in the account shall be used for the*  
17 *payment of expenses of the Nursing Services Program created in ORS*  
18 *442.540.*]

19 “[*(b) The account shall consist of:*]

20 “[*(A) Funds appropriated to the commission for deposit into the account;*]

21 “[*(B) Collections and penalties received by the Executive Director of the*  
22 *Office of Student Access and Completion under ORS 442.545; and]*

23 “[*(C) Any donations or grants received by the commission for purposes of*  
24 *the Nursing Services Program.*]

25 “[*(c) Any funds in the account that are not expended in any biennium shall*  
26 *be retained in the account and may be expended in subsequent biennia.*]

27 “[*(4)*] **(3)** There is established in the State Treasury a fund, separate and  
28 distinct from the General Fund, to be known as the Foster Youth Scholar-  
29 ship Fund. Moneys received from appropriations, donations and grants shall  
30 be credited to the fund. Moneys in the fund are continuously appropriated



1 to the commission for the purposes of investment, as provided by ORS 293.701  
2 to 293.857, and for carrying out the provisions of ORS 348.270 (1)(b). Interest  
3 earned by the fund shall be credited to the fund.

4 “[5] (4) There is established in the State Treasury a fund, separate and  
5 distinct from the General Fund, to be known as the ASPIRE Program Fund.  
6 Moneys received from donations and grants shall be credited to the ASPIRE  
7 Program Fund. Moneys in the fund are continuously appropriated to the  
8 commission for the purposes of investment, as provided by ORS 293.701 to  
9 293.857, and for carrying out the provisions of ORS 348.500. Interest earned  
10 by the fund shall be credited to the fund.

11 “[6)(a)] (5)(a) There is established in the State Treasury the Nursing  
12 Faculty Loan Repayment Fund, separate and distinct from the General Fund.  
13 Interest earned on the Nursing Faculty Loan Repayment Fund shall be  
14 credited to the fund. Moneys in the fund are continuously appropriated to  
15 the commission for carrying out ORS 348.440 to 348.448. The Nursing Faculty  
16 Loan Repayment Fund consists of:

17 “(A) Moneys appropriated to the commission for the Nursing Faculty  
18 Loan Repayment Program created in ORS 348.444; and

19 “(B) Grants, gifts or donations received by the commission for the pro-  
20 gram.

21 “(b) Any unexpended funds in the fund at the end of a biennium shall be  
22 retained in the fund and may be expended in subsequent biennia.

23 **“SECTION 9.** ORS 677.141 is amended to read:

24 “677.141. (1) A physician issued a license under ORS 677.139 is subject to  
25 all the provisions of this chapter and to all the rules of the Oregon Medical  
26 Board. A physician issued a license under ORS 677.139 has the same duties  
27 and responsibilities and is subject to the same penalties and sanctions as any  
28 other physician licensed under this chapter.

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

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

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

3 “(c) Employ a physician assistant as defined in ORS 677.495 to treat a  
4 person located within this state; **or**

5 “[*(d) Participate in the primary care provider loan repayment program*  
6 *created in ORS 413.233; or*]

7 “[*(e)*] **(d)** Assert a lien for services under ORS 87.555.

8 “(3) A physician licensed under ORS 677.139 shall comply with all patient  
9 confidentiality requirements of this state, except as those requirements are  
10 expressly prohibited by the law of any other state of the United States where  
11 a person’s medical records are maintained.

12 **“SECTION 10. ORS 413.018, 442.535, 442.540 and 442.545 are repealed.**

13 **“SECTION 11. ORS 348.303, 413.127, 413.233, 442.573, 676.550, 676.552,**  
14 **676.554 and 676.556 are repealed.**

15 **“SECTION 12. Section 4 of this 2015 Act is repealed on January 2,**  
16 **2017.**

17

18 **“OPERATIVE DATES**

19

20 **“SECTION 13. Sections 1, 2 and 3 of this 2015 Act and the amend-**  
21 **ments to ORS 442.574 and 677.141 by sections 6 and 9 of this 2015 Act**  
22 **become operative on January 1, 2018.**

23 **“SECTION 14. The repeal of ORS 348.303, 413.127, 413.233, 442.573,**  
24 **676.550, 676.552, 676.554 and 676.556 by section 11 of this 2015 Act be-**  
25 **comes operative January 2, 2018.**

26

27 **“CAPTIONS**

28

29 **“SECTION 15. The unit captions used in this 2015 Act are provided**  
30 **only for the convenience of the reader and do not become part of the**

1 **statutory law of this state or express any legislative intent in the**  
2 **enactment of this 2015 Act.**

3

4

**“EMERGENCY CLAUSE**

5

6 **“SECTION 16. This 2015 Act being necessary for the immediate**  
7 **preservation of the public peace, health and safety, an emergency is**  
8 **declared to exist, and this 2015 Act takes effect on its passage.”.**

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