

**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 and 677.141 and section
3 25, chapter 913, Oregon Laws 2009; repealing ORS 348.303, 413.018, 413.127,
4 413.233, 442.535, 442.540, 442.545, 442.573, 442.574, 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 health care 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 health care 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 **“SECTION 1. The Health Care Provider Incentive Fund is estab-**

1 lished in the State Treasury, separate and distinct from the General
2 Fund. Interest earned by the Health Care Provider Incentive Fund
3 shall be credited to the fund. Moneys in the fund are continuously
4 appropriated to the Oregon Health Authority to carry out section 2 of
5 this 2015 Act.

6 **“SECTION 2. (1) There is created in the Oregon Health Authority**
7 **a health care provider incentive program for the purpose of assisting**
8 **qualified health care providers who have committed to serving medical**
9 **assistance recipients in rural or medically underserved areas of this**
10 **state. The authority shall prescribe by rule:**

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

13 **“(b) The terms and conditions of participation in the program, in-**
14 **cluding the duration of the term of any service agreement;**

15 **“(c) The types of incentives that may be provided;**

16 **“(d) If the funds allocated to the program from the Health Care**
17 **Provider Incentive Fund established under section 1 of this 2015 Act**
18 **are insufficient to provide assistance to all of the applicants who are**
19 **eligible to participate in the program, the priority for the distribution**
20 **of funds, based on guidance from the Health Care Workforce Com-**
21 **mittee; and**

22 **“(e) The financial penalties imposed on an individual who fails to**
23 **comply with terms and conditions of participation.**

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

26 **“SECTION 3. (1) The Oregon Health Policy Board shall study and**
27 **evaluate the effectiveness of financial incentives offered by the state**
28 **to recruit and retain qualified health care providers in rural and**
29 **medically underserved areas.**

30 **“(2) On the basis of the study, the board shall develop recommen-**

1 **dations with respect to:**

2 **“(a) The continuation, restructuring, consolidation or repeal of the**
3 **incentives;**

4 **“(b) The priority for distribution of incentive funds allocated to the**
5 **program from the Health Care Provider Incentive Fund established**
6 **under section 1 of this 2015 Act to qualified health care providers; and**

7 **“(c) New financial incentive programs.**

8 **“(3) The recommendations must address, but need not be limited**
9 **to:**

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

13 **“(b) Loans, grants or other financial incentives to hospitals and**
14 **teaching health centers for the purpose of establishing or expanding**
15 **residency programs, including recommendations for the eligibility cri-**
16 **teria, repayment provisions, interest rates and other requirements for**
17 **financial incentives;**

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

21 **“(d) Direct subsidies or bonus payments to qualified health care**
22 **providers for services provided in rural and medically underserved**
23 **areas;**

24 **“(e) Creation of a retirement plan to offer to licensed or certified**
25 **providers as an incentive to provide services in rural and medically**
26 **underserved areas and to medically underserved populations in this**
27 **state;**

28 **“(f) The criteria for tax credits, including adding means testing or**
29 **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 rural area, medically underserved area and**
3 **qualified health care provider.**

4 **“(4) In developing recommendations under this section, the Oregon**
5 **Health Policy Board may consult with the Graduate Medical Education**
6 **Consortium, the Oregon Healthcare Workforce Institute, the Office**
7 **of Rural Health, the Oregon Center for Nursing or other appropriate**
8 **entities.**

9 **“(5) The Oregon Health Policy Board may contract with a public**
10 **or private entity to assist in the development of recommendations.**

11 **“(6) The Oregon Health Policy Board shall report on the progress**
12 **in developing recommendations under this section to the interim**
13 **committees of the Legislative Assembly related to health during the**
14 **interim committee meetings in November 2015 and to the committees**
15 **of the Legislative Assembly related to health during the 2016 regular**
16 **session. The board shall report its final recommendations to the in-**
17 **terim committees of the Legislative Assembly, in the manner pre-**
18 **scribed by ORS 192.245, no later than September 1, 2016.**

19 **“SECTION 4. In addition to and not in lieu of any other appropri-**
20 **ation, there is appropriated to the Oregon Health Authority, for the**
21 **biennium beginning July 1, 2015, out of the General Fund, the amount**
22 **of \$180,000, which may be expended for carrying out section 3 of this**
23 **2015 Act.**

24 **“SECTION 5. ORS 348.570 is amended to read:**

25 **“348.570. (1) There is established in the State Treasury a fund, separate**
26 **and distinct from the General Fund, to be known as the Oregon Student**
27 **Assistance Fund for investment as provided by ORS 293.701 to 293.857 and**
28 **for the payment of the expenses of the Higher Education Coordinating**
29 **Commission in carrying out the purposes of ORS 348.210 to 348.250, 348.285,**
30 **348.505 to 348.615, 348.696 and 348.992. Interest earned by the fund shall be**

1 credited to the fund.

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

10 “[*(3)(a) There is established in the General Fund an account to be known*
11 *as the Nursing Services Account. Funds in the account shall be used for the*
12 *payment of expenses of the Nursing Services Program created in ORS*
13 *442.540.*]

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

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

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

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

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

22 “[*(4)*] **(3)** There is established in the State Treasury a fund, separate and
23 distinct from the General Fund, to be known as the Foster Youth Scholar-
24 ship Fund. Moneys received from appropriations, donations and grants shall
25 be credited to the fund. Moneys in the fund are continuously appropriated
26 to the commission for the purposes of investment, as provided by ORS 293.701
27 to 293.857, and for carrying out the provisions of ORS 348.270 (1)(b). Interest
28 earned by the fund shall be credited to the fund.

29 “[*(5)*] **(4)** There is established in the State Treasury a fund, separate and
30 distinct from the General Fund, to be known as the ASPIRE Program Fund.

1 Moneys received from donations and grants shall be credited to the ASPIRE
2 Program Fund. Moneys in the fund are continuously appropriated to the
3 commission for the purposes of investment, as provided by ORS 293.701 to
4 293.857, and for carrying out the provisions of ORS 348.500. Interest earned
5 by the fund shall be credited to the fund.

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

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

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

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

18 **“SECTION 6.** ORS 677.141 is amended to read:

19 “677.141. (1) A physician issued a license under ORS 677.139 is subject to
20 all the provisions of this chapter and to all the rules of the Oregon Medical
21 Board. A physician issued a license under ORS 677.139 has the same duties
22 and responsibilities and is subject to the same penalties and sanctions as any
23 other physician licensed under this chapter.

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

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

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

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

30 “[~~(d)~~] *Participate in the primary care provider loan repayment program*

1 *created in ORS 413.233; or]*

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

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

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

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

12 “(2) A taxpayer who meets the eligibility requirements in ORS 315.613 for
13 the tax year beginning on or after January 1, [~~2013~~] **2017**, and before January
14 1, [~~2014~~] **2018**, shall be allowed the credit under ORS 315.613 for any tax year:

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

16 “(b) For which the taxpayer meets the eligibility requirements of ORS
17 315.613.

18 **“SECTION 8.** ORS 413.018, 442.535, 442.540 and 442.545 are repealed.

19 **“SECTION 9.** ORS 348.303, 413.127, 413.233, 442.573, 442.574, 676.550,
20 676.552, 676.554 and 676.556 are repealed.

21 **“SECTION 10.** Section 3 of this 2015 Act is repealed on January 2,
22 2017.

23 **“SECTION 11.** Sections 1, 2 and 13 of this 2015 Act and the amend-
24 ments to ORS 677.141 by section 6 of this 2015 Act become operative
25 on January 1, 2018.

26 **“SECTION 12.** The repeal of ORS 348.303, 413.127, 413.233, 442.573,
27 442.574, 676.550, 676.552, 676.554 and 676.556 by section 9 of this 2015 Act
28 becomes operative January 2, 2018.

29 **“SECTION 13.** (1) Service agreements under ORS 442.574 and 348.303
30 that are in effect on the operative date of this section shall remain in

1 effect for the term specified in the agreement.

2 “(2) Individuals participating in the primary care provider loan re-
3 payment program on the operative date of this section shall continue
4 to participate for the duration of the term of the individual’s com-
5 mitment made pursuant to ORS 413.233.

6 “(3) Nothing in the repeal of ORS 348.303, 413.233 and 442.574 relieves
7 a person of a liability, duty or obligation accruing under or with re-
8 spect to ORS 348.303, 413.233 and 442.574. Payments made by partic-
9 ipants to discharge an obligation arising under ORS 348.303 (6) or (7),
10 413.233 (2)(e) or 442.574 shall be deposited to the Health Care Provider
11 Incentive Fund established in section 1 of this 2015 Act.

12 “(4) The duties, rights and obligations of the Office of Rural Health
13 under ORS 442.574 are transferred to the Oregon Health Authority.

14 “(5) Any unexpended balances of moneys in the Primary Health
15 Care Loan Forgiveness Program Fund are transferred to the Health
16 Care Provider Incentive Fund established under section 1 of this 2015
17 Act and shall be used by the Oregon Health Authority to carry out
18 section 2 of this 2015 Act and to administer the service agreements
19 entered into pursuant to ORS 442.574 that remain in effect under sub-
20 section (1) of this section.

21 “SECTION 14. The Office of Rural Health and the Oregon Health
22 Authority shall take any actions before January 1, 2018, that are nec-
23 essary in order to carry out the provisions of section 13 of this 2015
24 Act on and after January 1, 2018.

25 “SECTION 15. This 2015 Act being necessary for the immediate
26 preservation of the public peace, health and safety, an emergency is
27 declared to exist, and this 2015 Act takes effect on its passage.”.

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