

**B-Engrossed**  
**House Bill 3261**

Ordered by the House July 1  
Including House Amendments dated April 24 and July 1

Sponsored by Representative NATHANSON, Senator STEINER HAYWARD; Representatives BUEHLER, MCKEOWN, Senator MONNES ANDERSON

**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 Oregon Health Policy Board, in collaboration with Office of Rural Health **and Oregon Health and Science University**, to *[develop uniform application for all health care provider financial incentive programs and collect information from participants in programs]* **conduct assessment of health care workforce needs in Oregon**. Requires board to collect data from and about health care providers to evaluate effectiveness of financial incentive programs in increasing access to health care providers in rural and medically underserved areas of state. **Requires board to allocate moneys in Health Care Provider Incentive Fund, based on workforce assessment and data collected, to provide health care provider incentives and loans or grants to communities to implement plans for addressing unmet health care workforce needs of communities.**

*[Modifies requirements for rural provider tax credit.]* Removes sunset on Scholars for a Healthy Oregon Initiative.

Takes effect on 91st day following adjournment sine die.

**A BILL FOR AN ACT**

1  
2 Relating to health care provider incentives; creating new provisions; amending ORS 348.303, 414.743,  
3 442.315, 442.394, 442.470, 442.563, 676.450 and 676.460 and sections 9, 12 and 13, chapter 829,  
4 Oregon Laws 2015; and prescribing an effective date.

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

6 **SECTION 1. (1) The Oregon Health Policy Board, in consultation with the Oregon Health**  
7 **and Science University and the Office of Rural Health, shall conduct an assessment of the**  
8 **health care workforce needs in this state, including but not limited to the health care**  
9 **workforce needed to address:**

- 10 (a) **The continuing expansion in commercial and publicly funded health care coverage;**  
11 (b) **Health disparities among medically underserved populations; and**  
12 (c) **The need for health care providers in rural communities.**

13 (2) **The board shall report to the Legislative Assembly no later than February 1 in each**  
14 **odd-numbered year on the health care workforce needs in this state and proposals for ad-**  
15 **ressing those needs with programs funded by the Health Care Provider Incentive Fund es-**  
16 **tablished under ORS 676.450.**

17 **SECTION 2. (1) As used in this section, "financial incentive programs" includes but is**  
18 **not limited to the:**

- 19 (a) **Rural health care provider tax credit available under ORS 315.613;**  
20 (b) **Rural medical practitioners insurance subsidy program under ORS 676.550;**  
21 (c) **Scholars for a Healthy Oregon Initiative created by ORS 348.303;**  
22 (d) **Primary Health Care Loan Forgiveness Program created by ORS 442.574; and**

**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 (e) Incentives provided by the health care provider incentive program created by ORS  
2 676.460.

3 (2) In order to evaluate the effectiveness of state financial incentive programs in re-  
4 cruiting health care providers to practice in rural and medically underserved areas and re-  
5 taining health care providers in rural and medically underserved areas, the Oregon Health  
6 Policy Board shall collect information about financial incentive program participants, which  
7 may include:

8 (a) The month and year of entry into the program;

9 (b) The locations of service and duration of service in each location;

10 (c) The main services provided, discipline, specialty and hours of direct patient care;

11 (d) The percentage of services provided through telemedicine; and

12 (e) Other demographic information that the board and the Office of Rural Health deter-  
13 mine to be useful in the evaluation.

14 (3) To collect the data described in subsection (2) of this section, the board shall use  
15 unique provider identifiers and link the identifiers to the provider data reported under ORS  
16 442.466.

17 (4) The board shall compile and analyze the data collected under this section and report  
18 its findings and analysis to the interim committees of the Legislative Assembly related to  
19 health every two years.

20 **SECTION 3.** (1) On the basis of the assessment and the evaluation conducted under  
21 sections 1 and 2 of this 2017 Act, the Oregon Health Policy Board shall determine the best  
22 allocation of moneys in the Health Care Provider Incentive Fund established under ORS  
23 676.450 toward providing:

24 (a) Incentives through the health care provider incentive program created by ORS  
25 676.460.

26 (b) Loans or grants to support communities' plans for addressing the unmet health care  
27 workforce needs in each community, including but not limited to:

28 (A) Funding start-up costs for new health care professional training programs that:

29 (i) Are designed to expand the racial and ethnic diversity of Oregon's health care  
30 workforce;

31 (ii) Are designed to expand the health care workforce in medically underserved areas;

32 (iii) Provide financial incentives to faculty members in health care professional training  
33 programs and clinical preceptors;

34 (iv) Ensure that individuals enrolled in the programs are adequately compensated; and

35 (v) Include technical assistance; and

36 (B) Supplementing Medicare funding paid to hospitals for graduate medical education.

37 (2) With respect to the loans and grants provided under subsection (1)(b) of this section,  
38 the board shall:

39 (a) Prescribe the process and procedures for communities to apply for loans or grants  
40 and for the board to award loans and grants.

41 (b) Establish criteria to ensure that the moneys support community plans that:

42 (A) Include a substantial financial investment by the community, as determined by the  
43 board, and may include financial or in-kind support;

44 (B) Are designed to improve the access to health care by medical assistance recipients  
45 and Medicare enrollees to the same extent that each plan improves access to health care by

1 the general population of the community; and

2 (C) Are sustainable over the long term.

3 (c) Conduct outreach to communities to solicit ideas and applications for new training  
4 programs and other incentive programs.

5 (d) Collaborate with community colleges and public universities in this state.

6 (3) The board shall enter into an agreement with the Oregon Health and Science Uni-  
7 versity to administer this section under the board's direction.

8 **SECTION 4.** For the biennium beginning July 1, 2017, moneys in the Health Care Provider  
9 Incentive Fund established under ORS 676.450 shall be allocated as follows:

10 (1) \$4 million for the rural medical practitioners insurance subsidy program under ORS  
11 676.550.

12 (2) \$4 million to be transferred to the Primary Care Provider Loan Repayment Fund es-  
13 tablished under ORS 413.127.

14 (3) \$2.5 million for the Scholars for a Healthy Oregon Initiative created by ORS 348.303  
15 and \$1 million for other scholarships.

16 (4) \$500,000 to the Primary Health Care Loan Forgiveness Program created by ORS  
17 442.574.

18 (5) Up to \$1 million for other financial incentives offered by the health care provider in-  
19 centive program created by ORS 676.460.

20 (6) Up to \$1 million for the administrative expenses associated with the allocated moneys  
21 in the fund.

22 (7) Up to \$4 million for purposes described in section 3 (1)(b) of this 2017 Act.

23 (8) Additional moneys remaining in the Health Care Provider Incentive Fund after the  
24 distributions described in subsections (1) to (7) of this section and unexpended balances, as  
25 of January 1, 2019, of the allocations made under subsections (1) to (7) of this section shall  
26 be distributed as directed by the Oregon Health Policy Board.

27 **SECTION 5.** ORS 676.460 is amended to read:

28 676.460. (1) There is created in the Oregon Health Authority a health care provider incentive  
29 program for the purpose of assisting qualified health care providers who [*have committed*] **commit**  
30 to serving medical assistance [*recipients*] **and Medicare enrollees** in rural or medically underserved  
31 areas of this state. The authority shall prescribe by rule:

32 (a) Participant eligibility criteria, including the types of qualified health care providers who may  
33 participate in the program;

34 (b) The terms and conditions of participation in the program, including the duration of the term  
35 of any service agreement, **which must be at least 12 months**;

36 (c) The types of incentives that may be provided[;], **including but not limited to:**

37 **(A) Loan repayment subsidies;**

38 **(B) Stipends;**

39 **(C) Medical malpractice insurance premium subsidies;**

40 **(D) Scholarships for students in health professional training programs at the Oregon**  
41 **Health and Science University;**

42 **(E) Scholarships for students at institutions of higher education based in this state who**  
43 **are enrolled in health professional training programs leading to a doctor of osteopathic**  
44 **medicine or doctor of dentistry or a license as a nurse practitioner, physician assistant or**  
45 **certified registered nurse anesthetist, if:**

1 (i) The scholarship funds are distributed equitably among schools offering the training  
2 programs, based on the percentage of Oregon students attending those schools; and

3 (ii) The maximum scholarship for each student does not exceed the highest resident tui-  
4 tion rate at the publicly funded health professional training programs in this state; and

5 (F) Paying the moving expenses of providers not located in rural or medically under-  
6 served areas who commit to relocate to such areas;

7 (d) If the funds allocated to the program from the Health Care Provider Incentive Fund estab-  
8 lished under ORS 676.450 are insufficient to provide assistance to all of the applicants who are eli-  
9 gible to participate in the program, the priority for the distribution of funds[, *based on guidance from*  
10 *the Health Care Workforce Committee*]; and

11 (e) The financial penalties imposed on an individual who fails to comply with terms and condi-  
12 tions of participation.

13 **(2) Eligibility requirements adopted for the program:**

14 (a) Must allow providers to qualify for multiple health care provider incentives, to the  
15 extent permitted by federal law.

16 (b) Must allow providers to qualify for an incentive for multiyear periods.

17 (c) Must give preference to applicants willing to:

18 (A) Commit to extended periods of service in rural or medically underserved areas; or

19 (B) Serve patients enrolled in Medicare and the state medical assistance program in at  
20 least the same proportion to the provider's total number of patients as the Medicare and  
21 medical assistance patient populations represent in relation to the total number of persons  
22 determined by the Office of Rural Health to be in need of health care in the area served by  
23 the practice.

24 (3) The authority may use funds allocated to the program from the Health Care Provider  
25 Incentive Fund to administer or provide funding to a locum tenens program for health care  
26 providers practicing in rural areas of this state.

27 [(2)] (4) The authority may enter into contracts with one or more public or private entities to  
28 administer the health care provider incentive program or parts of the program.

29 (5) The authority shall decide no later than September 1 of each academic year the dis-  
30 tribution of funds for scholarships that will be provided in the next academic year.

31 (6) The authority may receive gifts, grants or contributions from any source, whether  
32 public or private, to carry out the provisions of this section. Moneys received under this  
33 subsection shall be deposited in the Health Care Provider Incentive Fund established under  
34 ORS 676.450.

35 **SECTION 6.** ORS 442.470 is amended to read:

36 442.470. As used in ORS 442.470 to 442.507:

37 (1) "Acute inpatient care facility" means a licensed hospital with an organized medical staff,  
38 with permanent facilities that include inpatient beds, and with comprehensive medical services, in-  
39 cluding physician services and continuous nursing services under the supervision of registered  
40 nurses, to provide diagnosis and medical or surgical treatment primarily for but not limited to  
41 acutely ill patients and accident victims.

42 (2) "Council" means the Rural Health Coordinating Council.

43 (3) "Office" means the Office of Rural Health.

44 (4) "Primary care physician" means a doctor licensed under ORS chapter 677 whose specialty  
45 is family practice, general practice, internal medicine, pediatrics or obstetrics and gynecology.

1       **(5) “Rural critical access hospital” means a facility that meets the criteria set forth in**  
2 **42 U.S.C. 1395i-4 (c)(2)(B) and that has been designated a critical access hospital by the Office**  
3 **of Rural Health.**

4       [(5)(a)] **(6)(a)** “Rural hospital” means a hospital characterized as one of the following:

5       (A) A type A hospital, which is a small and remote hospital that has 50 or fewer beds and is  
6 more than 30 miles from another acute inpatient care facility;

7       (B) A type B hospital, which is a small and rural hospital that has 50 or fewer beds and is 30  
8 miles or less from another acute inpatient care facility;

9       (C) A type C hospital, which is considered to be a rural hospital and has more than 50 beds, but  
10 is not a referral center; or

11       (D) A rural critical access hospital [*as defined in ORS 315.613*].

12       (b) “Rural hospital” does not include a hospital of any class that was designated by the federal  
13 government as a rural referral hospital before January 1, 1989.

14       **SECTION 7.** ORS 348.303 is amended to read:

15       348.303. (1) As used in this section:

16       (a) “Designated service site” means a rural health clinic as defined in 42 U.S.C. 1395x(aa)(2), a  
17 rural critical access hospital as defined in ORS [*315.613*] **442.470**, a federally qualified health center  
18 as defined in 42 U.S.C. 1396d(l)(2) or any geographic area, population group or facility that is located  
19 in Oregon and has been designated by the Health Resources and Services Administration of the  
20 United States Department of Health and Human Services as a health professional shortage area, a  
21 medically underserved area or a medically underserved population.

22       (b) “Health care practitioner” means a:

23       (A) Physician licensed under ORS chapter 677;

24       (B) Dentist licensed under ORS chapter 679;

25       (C) Nurse practitioner licensed under ORS 678.375 to 678.390;

26       (D) Physician assistant licensed under ORS 677.505 to 677.525; or

27       (E) Certified registered nurse anesthetist licensed under ORS chapter 678.

28       (c) “Participant” means a person who has been selected by the Oregon Health and Science  
29 University to receive a scholarship under subsection (5) of this section.

30       (d) “Prospective health care practitioner” means a person who has been accepted into, but has  
31 not yet started, a health care program at the Oregon Health and Science University that meets the  
32 educational requirements for licensure as a physician, dentist, nurse practitioner, physician assistant  
33 or certified registered nurse anesthetist.

34       (e) “Service agreement” means the agreement executed by a prospective health care practitioner  
35 under subsection (3) of this section.

36       (2) There is created the Scholars for a Healthy Oregon Initiative, to be administered by the  
37 Oregon Health and Science University pursuant to rules adopted by the university.

38       (3) A prospective health care practitioner who wishes to participate in the initiative shall submit  
39 an application to the Oregon Health and Science University in accordance with rules adopted by the  
40 university. To be eligible to be a participant in the initiative, a prospective health care practitioner  
41 must:

42       (a) Have been accepted into, but not yet started, the first year of the prospective health care  
43 practitioner’s health care education at the Oregon Health and Science University;

44       (b) Be considered a resident of Oregon under the university’s admission guidelines or qualify as  
45 a student exempted from paying nonresident tuition under ORS 352.287;

1 (c) Execute a service agreement stating that:

2 (A) Immediately upon the prospective health care practitioner's completion of the health care  
3 education degree, residency or training, as established for each degree by the Oregon Health and  
4 Science University by rule, the participant will practice as a health care practitioner in a designated  
5 service site in this state approved by the university for one year longer than the number of years  
6 the participant spent in the health care program for which the participant received a scholarship;  
7 and

8 (B) While practicing as a health care practitioner in a designated service site, the participant  
9 must see all patients, regardless of any patient's ability to pay for services; and

10 (d) Meet other requirements established by the university by rule.

11 (4) The Oregon Health and Science University may select participants from among the pro-  
12 spective health care practitioners who submit applications as provided in subsection (3) of this sec-  
13 tion. The university shall give preference to prospective health care practitioners who are:

14 (a) Individuals admitted to the Oregon Health and Science University as a student from rural  
15 heritage, as defined by the university's admission policy;

16 (b) First generation college students; or

17 (c) Individuals from a diverse or underrepresented community.

18 (5) The Oregon Health and Science University shall provide a scholarship covering the entire  
19 cost of tuition and fees for the participant's health care education at the university.

20 (6) A participant receiving a scholarship under subsection (5) of this section who fails to com-  
21 plete the terms of the service agreement shall repay the amount received plus an additional penalty  
22 of 25 percent of the amount received to the Oregon Health and Science University. The total amount  
23 to be paid to the university under this subsection shall be reduced for every full year that the par-  
24 ticipant complied with the service agreement on a pro rata basis, as computed by the total number  
25 of years agreed to in the service agreement.

26 (7) A participant receiving a scholarship under subsection (5) of this section who fails to com-  
27 plete the health care degree for which the scholarship was awarded shall repay the amount received  
28 to the Oregon Health and Science University.

29 (8) In the event that a participant is required to repay the Oregon Health and Science Univer-  
30 sity under subsection (6) or (7) of this section, the university may:

31 (a) Collect any amounts due;

32 (b) Have any amounts due be collected by the Collections Unit in the Department of Revenue  
33 under ORS 293.250; or

34 (c) Contract with a collections agency to collect any amounts due.

35 (9) Any moneys received or collected by the Oregon Health and Science University under sub-  
36 sections (6) to (8) of this section shall be deposited into a separate fund held by the university for  
37 the purpose of carrying out the provisions of this section. The university may not use the moneys  
38 in these funds for any other purpose.

39 (10) The Oregon Health and Science University may accept funds from any public or private  
40 source for the purposes of carrying out the provisions of this section.

41 (11) Not later than December 1 of each even-numbered year, the Oregon Health and Science  
42 University shall report to the Legislative Assembly on the status of the Scholars for a Healthy  
43 Oregon Initiative. The report shall include, for the previous biennium:

44 (a) The total number of active participants in the initiative; and

45 (b) A breakdown of active participants in the initiative by health care practitioner category.

1       **SECTION 8.** ORS 414.743 is amended to read:

2       414.743. (1) Except as provided in subsection (2) of this section, a coordinated care organization  
3 that does not have a contract with a hospital to provide inpatient or outpatient hospital services  
4 under ORS 414.631, 414.651 and 414.688 to 414.745 must, using Medicare payment methodology, re-  
5 imburse the noncontracting hospital for services provided to a member of the organization at a rate  
6 no less than a percentage of the Medicare reimbursement rate for those services. The percentage  
7 of the Medicare reimbursement rate that is used to determine the reimbursement rate under this  
8 subsection is equal to four percentage points less than the percentage of Medicare cost used by the  
9 Oregon Health Authority in calculating the base hospital capitation payment to the organization,  
10 excluding any supplemental payments.

11       (2)(a) If a coordinated care organization does not have a contract with a hospital, and the hos-  
12 pital provides less than 10 percent of the hospital admissions and outpatient hospital services to  
13 members of the organization, the percentage of the Medicare reimbursement rate that is used to  
14 determine the reimbursement rate under subsection (1) of this section is equal to two percentage  
15 points less than the percentage of Medicare cost used by the Oregon Health Authority in calculating  
16 the base hospital capitation payment to the organization, excluding any supplemental payments.

17       (b) This subsection is not intended to discourage a coordinated care organization and a hospital  
18 from entering into a contract and is intended to apply to hospitals that provide primarily, but not  
19 exclusively, specialty and emergency care to members of the organization.

20       (3) A hospital that does not have a contract with a coordinated care organization to provide  
21 inpatient or outpatient hospital services under ORS 414.631, 414.651 and 414.688 to 414.745 must  
22 accept as payment in full for hospital services the rates described in subsections (1) and (2) of this  
23 section.

24       (4) This section does not apply to type A and type B hospitals, as described in ORS 442.470, and  
25 rural critical access hospitals, as defined in ORS [315.613] **442.470**.

26       (5) The Oregon Health Authority shall adopt rules to implement and administer this section.

27       **SECTION 9.** ORS 442.315 is amended to read:

28       442.315. (1) Any new hospital or new skilled nursing or intermediate care service or facility not  
29 excluded pursuant to ORS 441.065, and any long term care facility for which a license was surren-  
30 dered under section 15, chapter 608, Oregon Laws 2013, shall obtain a certificate of need from the  
31 Oregon Health Authority prior to an offering or development.

32       (2) The authority shall adopt rules specifying criteria and procedures for making decisions as  
33 to the need for the new services or facilities.

34       (3)(a) An applicant for a certificate of need shall apply to the authority on forms provided for  
35 this purpose by authority rule.

36       (b) An applicant shall pay a fee prescribed as provided in this section. Subject to the approval  
37 of the Oregon Department of Administrative Services, the authority shall prescribe application fees,  
38 based on the complexity and scope of the proposed project.

39       (4) The authority shall be the decision-making authority for the purpose of certificates of need.  
40 The authority may establish an expedited review process for an application for a certificate of need  
41 to rebuild a long term care facility, relocate buildings that are part of a long term care facility or  
42 relocate long term care facility bed capacity from one long term care facility to another. The au-  
43 thority shall issue a proposed order not later than 120 days after the date a complete application  
44 for expedited review is received by the authority.

45       (5)(a) An applicant or any affected person who is dissatisfied with the proposed decision of the

1 authority is entitled to an informal hearing in the course of review and before a final decision is  
2 rendered.

3 (b) Following a final decision being rendered by the authority, an applicant or any affected  
4 person may request a reconsideration hearing pursuant to ORS chapter 183.

5 (c) In any proceeding brought by an affected person or an applicant challenging an authority  
6 decision under this subsection, the authority shall follow procedures consistent with the provisions  
7 of ORS chapter 183 relating to a contested case.

8 (6) Once a certificate of need has been issued, it may not be revoked or rescinded unless it was  
9 acquired by fraud or deceit. However, if the authority finds that a person is offering or developing  
10 a project that is not within the scope of the certificate of need, the authority may limit the project  
11 as specified in the issued certificate of need or reconsider the application. A certificate of need is  
12 not transferable.

13 (7) Nothing in this section applies to any hospital, skilled nursing or intermediate care service  
14 or facility that seeks to replace equipment with equipment of similar basic technological function  
15 or an upgrade that improves the quality or cost-effectiveness of the service provided. Any person  
16 acquiring such replacement or upgrade shall file a letter of intent for the project in accordance with  
17 the rules of the authority if the price of the replacement equipment or upgrade exceeds \$1 million.

18 (8) Except as required in subsection (1) of this section for a new hospital or new skilled nursing  
19 or intermediate care service or facility not operating as a Medicare swing bed program, nothing in  
20 this section requires a rural hospital as defined in ORS 442.470 [(5)(a)(A) and (B)] **(6)(a)(A) and (B)**  
21 to obtain a certificate of need.

22 (9) Nothing in this section applies to basic health services, but basic health services do not in-  
23 clude:

- 24 (a) Magnetic resonance imaging scanners;
- 25 (b) Positron emission tomography scanners;
- 26 (c) Cardiac catheterization equipment;
- 27 (d) Megavoltage radiation therapy equipment;
- 28 (e) Extracorporeal shock wave lithotriptors;
- 29 (f) Neonatal intensive care;
- 30 (g) Burn care;
- 31 (h) Trauma care;
- 32 (i) Inpatient psychiatric services;
- 33 (j) Inpatient chemical dependency services;
- 34 (k) Inpatient rehabilitation services;
- 35 (L) Open heart surgery; or
- 36 (m) Organ transplant services.

37 (10) In addition to any other remedy provided by law, whenever it appears that any person is  
38 engaged in, or is about to engage in, any acts that constitute a violation of this section, or any rule  
39 or order issued by the authority under this section, the authority may institute proceedings in the  
40 circuit courts to enforce obedience to such statute, rule or order by injunction or by other pro-  
41 cesses, mandatory or otherwise.

42 (11) As used in this section, "basic health services" means health services offered in or through  
43 a hospital licensed under ORS chapter 441, except skilled nursing or intermediate care nursing fa-  
44 cilities or services and those services specified in subsection (9) of this section.

45 **SECTION 10.** ORS 442.315, as amended by section 23, chapter 608, Oregon Laws 2013, is



1 amended to read:

2 442.315. (1) Any new hospital or new skilled nursing or intermediate care service or facility not  
3 excluded pursuant to ORS 441.065 shall obtain a certificate of need from the Oregon Health Au-  
4 thority prior to an offering or development.

5 (2) The authority shall adopt rules specifying criteria and procedures for making decisions as  
6 to the need for the new services or facilities.

7 (3)(a) An applicant for a certificate of need shall apply to the authority on forms provided for  
8 this purpose by authority rule.

9 (b) An applicant shall pay a fee prescribed as provided in this section. Subject to the approval  
10 of the Oregon Department of Administrative Services, the authority shall prescribe application fees,  
11 based on the complexity and scope of the proposed project.

12 (4) The authority shall be the decision-making authority for the purpose of certificates of need.  
13 The authority may establish an expedited review process for an application for a certificate of need  
14 to rebuild a long term care facility, relocate buildings that are part of a long term care facility or  
15 relocate long term care facility bed capacity from one long term care facility to another. The au-  
16 thority shall issue a proposed order not later than 120 days after the date a complete application  
17 for expedited review is received by the authority.

18 (5)(a) An applicant or any affected person who is dissatisfied with the proposed decision of the  
19 authority is entitled to an informal hearing in the course of review and before a final decision is  
20 rendered.

21 (b) Following a final decision being rendered by the authority, an applicant or any affected  
22 person may request a reconsideration hearing pursuant to ORS chapter 183.

23 (c) In any proceeding brought by an affected person or an applicant challenging an authority  
24 decision under this subsection, the authority shall follow procedures consistent with the provisions  
25 of ORS chapter 183 relating to a contested case.

26 (6) Once a certificate of need has been issued, it may not be revoked or rescinded unless it was  
27 acquired by fraud or deceit. However, if the authority finds that a person is offering or developing  
28 a project that is not within the scope of the certificate of need, the authority may limit the project  
29 as specified in the issued certificate of need or reconsider the application. A certificate of need is  
30 not transferable.

31 (7) Nothing in this section applies to any hospital, skilled nursing or intermediate care service  
32 or facility that seeks to replace equipment with equipment of similar basic technological function  
33 or an upgrade that improves the quality or cost-effectiveness of the service provided. Any person  
34 acquiring such replacement or upgrade shall file a letter of intent for the project in accordance with  
35 the rules of the authority if the price of the replacement equipment or upgrade exceeds \$1 million.

36 (8) Except as required in subsection (1) of this section for a new hospital or new skilled nursing  
37 or intermediate care service or facility not operating as a Medicare swing bed program, nothing in  
38 this section requires a rural hospital as defined in ORS 442.470 [(5)(a)(A) and (B)] **(6)(a)(A) and (B)**  
39 to obtain a certificate of need.

40 (9) Nothing in this section applies to basic health services, but basic health services do not in-  
41 clude:

- 42 (a) Magnetic resonance imaging scanners;
- 43 (b) Positron emission tomography scanners;
- 44 (c) Cardiac catheterization equipment;
- 45 (d) Megavoltage radiation therapy equipment;

- 1 (e) Extracorporeal shock wave lithotrippers;
- 2 (f) Neonatal intensive care;
- 3 (g) Burn care;
- 4 (h) Trauma care;
- 5 (i) Inpatient psychiatric services;
- 6 (j) Inpatient chemical dependency services;
- 7 (k) Inpatient rehabilitation services;
- 8 (L) Open heart surgery; or
- 9 (m) Organ transplant services.

10 (10) In addition to any other remedy provided by law, whenever it appears that any person is  
11 engaged in, or is about to engage in, any acts that constitute a violation of this section, or any rule  
12 or order issued by the authority under this section, the authority may institute proceedings in the  
13 circuit courts to enforce obedience to such statute, rule or order by injunction or by other pro-  
14 cesses, mandatory or otherwise.

15 (11) As used in this section, “basic health services” means health services offered in or through  
16 a hospital licensed under ORS chapter 441, except skilled nursing or intermediate care nursing fa-  
17 cilities or services and those services specified in subsection (9) of this section.

18 **SECTION 11.** ORS 442.394 is amended to read:

19 442.394. (1) A hospital or ambulatory surgical center shall bill and accept as payment in full an  
20 amount determined in accordance with the payment methodology prescribed by the Oregon Health  
21 Authority under ORS 442.392.

22 (2) This section does not apply to type A or type B hospitals, as described in ORS 442.470, or  
23 rural critical access hospitals, as defined in ORS [315.613] **442.470**.

24 **SECTION 12.** ORS 442.563 is amended to read:

25 442.563. (1) The Office of Rural Health shall establish criteria for certifying individuals eligible  
26 for the tax credit authorized by ORS 315.613[, 315.616 or 315.619]. Upon application therefor, the  
27 office shall certify individuals eligible for the tax credit authorized by ORS 315.613.

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

30 **SECTION 13.** ORS 676.450 is amended to read:

31 676.450. The Health Care Provider Incentive Fund is established in the State Treasury, separate  
32 and distinct from the General Fund. Interest earned by the Health Care Provider Incentive Fund  
33 shall be credited to the fund. **The fund consists of moneys appropriated to the fund by the**  
34 **Legislative Assembly and gifts, grants or other moneys contributed to the fund by any**  
35 **source, whether public or private.** Moneys in the fund are continuously appropriated to the  
36 Oregon Health Authority to carry out ORS 676.460 **and section 3 of this 2017 Act.**

37 **SECTION 14.** Section 13, chapter 829, Oregon Laws 2015, is amended to read:

38 **Sec. 13.** (1) Service agreements under ORS 442.574 [*and 348.303*] that are in effect on [*the oper-*  
39 *ative date of this section*] **January 1, 2018**, shall remain in effect for the term specified in the  
40 agreement.

41 (2) Individuals participating in the primary care provider loan repayment program on [*the oper-*  
42 *ative date of this section*] **January 1, 2018**, shall continue to participate for the duration of the term  
43 of the individual’s commitment made pursuant to ORS 413.233.

44 (3) Nothing in the repeal of ORS [348.303,] 413.233 and 442.574 relieves a person of a liability,  
45 duty or obligation accruing under or with respect to ORS [348.303,] 413.233 and 442.574. Payments

1 made by participants to discharge an obligation arising under ORS [348.303 (6) or (7),] 413.233 (2)(e)  
2 or 442.574 shall be deposited to the Health Care Provider Incentive Fund established [in section 1  
3 of this 2015 Act] **under ORS 676.450.**

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

6 (5) Any unexpended balances of moneys in the Primary Health Care Loan Forgiveness Program  
7 Fund are transferred to the Health Care Provider Incentive Fund established under [section 1 of this  
8 2015 Act] **ORS 676.450** and shall be used by the Oregon Health Authority to carry out [section 2 of  
9 this 2015 Act] **ORS 676.460** and to administer the service agreements entered into pursuant to ORS  
10 442.574 that remain in effect under subsection (1) of this section.

11 **SECTION 15.** Section 9, chapter 829, Oregon Laws 2015, is amended to read:

12 **Sec. 9.** ORS [348.303,] 413.127, 413.233, 442.573, 442.574, 676.550, 676.552, 676.554 and 676.556 are  
13 repealed.

14 **SECTION 16.** Section 12, chapter 829, Oregon Laws 2015, is amended to read:

15 **Sec. 12.** The repeal of ORS [348.303,] 413.127, 413.233, 442.573, 442.574, 676.550, 676.552, 676.554  
16 and 676.556 by section 9, [of this 2015 Act] **chapter 829, Oregon Laws 2015,** becomes operative  
17 January 2, 2018.

18 **SECTION 17.** Section 2 of this 2017 Act is amended to read:

19 **Sec. 2.** (1) As used in this section, “financial incentive programs” includes but is not limited to  
20 the:

21 (a) Rural health care provider tax credit available under ORS 315.613;

22 [(b) Rural medical practitioners insurance subsidy program under ORS 676.550;]

23 [(c)] (b) Scholars for a Healthy Oregon Initiative created by ORS 348.303; **and**

24 [(d) Primary Health Care Loan Forgiveness Program created by ORS 442.574; and]

25 [(e)] (c) Incentives provided by the health care provider incentive program created by ORS  
26 676.460.

27 (2) In order to evaluate the effectiveness of state financial incentive programs in recruiting  
28 health care providers to practice in rural and medically underserved areas and retaining health care  
29 providers in rural and medically underserved areas, the Oregon Health Policy Board shall collect  
30 information about financial incentive program participants, which may include:

31 (a) The month and year of entry into the program;

32 (b) The locations of service and duration of service in each location;

33 (c) The main services provided, discipline, specialty and hours of direct patient care;

34 (d) The percentage of services provided through telemedicine; and

35 (e) Other demographic information that the board and the Office of Rural Health determine to  
36 be useful in the evaluation.

37 (3) To collect the data described in subsection (2) of this section, the board shall use unique  
38 provider identifiers and link the identifiers to the provider data reported under ORS 442.466.

39 (4) The board shall compile and analyze the data collected under this section and report its  
40 findings and analysis to the interim committees of the Legislative Assembly related to health every  
41 two years.

42 **SECTION 18.** (1) **The report described in section 1 (2) of this 2017 Act is first due no later**  
43 **than February 1, 2018, and each odd-numbered year thereafter.**

44 (2) **The report described in section 2 (4) of this 2017 Act is first due no later than Sep-**  
45 **tember 15, 2018.**

1        **SECTION 19.** The amendments to section 2 of this 2017 Act by section 17 of this 2017 Act  
2 become operative on January 2, 2018.

3        **SECTION 20.** This 2017 Act takes effect on the 91st day after the date on which the 2017  
4 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.

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