

Requested by Representative NATHANSON

**PROPOSED AMENDMENTS TO
HOUSE BILL 3261**

1 On page 1 of the printed bill, line 2, delete “315.616,”.

2 In line 3, after “442.570” delete the rest of the line and insert “, 676.450
3 and 676.460 and sections 9, 12 and 13, chapter 829, Oregon Laws 2015; re-
4 pealing ORS 315.616, 315.619, 442.561, 442.562 and 442.564;”

5 In line 10, delete “and”.

6 In line 11, delete the period and insert “; and

7 “(e) Primary Health Care Loan Forgiveness Program created under ORS
8 442.574.”.

9 In line 12, delete “Authority” and insert “Policy Board”.

10 In line 24, delete “authority” and insert “board”.

11 In line 26, after the first “The” insert “month and”.

12 In line 28, delete “size of practice” and insert “hours of direct patient
13 care”.

14 On page 2, line 2, delete “authority” and insert “board”.

15 In line 4, delete “authority” and insert “board”.

16 In line 7, delete “authority” and insert “board”.

17 In line 9, delete “three” and insert “two”.

18 Delete lines 10 through 45 and delete page 3.

19 On page 4, delete lines 1 through 16 and insert:

20 “**SECTION 2.** ORS 315.613, as amended by section 1, chapter 29, Oregon
21 Laws 2016, is amended to read:

1 “315.613. [(1) A resident or nonresident individual certified as eligible un-
2 der ORS 442.563, licensed under ORS chapter 677, who is engaged in the
3 practice of medicine, and who is engaged for at least 20 hours per week, av-
4 eraged over the month, during the tax year in a rural practice, shall be allowed
5 an annual credit against taxes otherwise due under ORS chapter 316.]

6 “[(2) The amount of credit allowed shall be based on the distance from a
7 major population center in a qualified metropolitan statistical area at which
8 the taxpayer maintains a practice or hospital membership:]

9 “[(a) If at least 10 miles but fewer than 20 miles, \$3,000.]

10 “[(b) If at least 20 miles but fewer than 50 miles, \$4,000.]

11 “[(c) If 50 or more miles, \$5,000.]

12 “[(3) The credit shall be allowed during the time in which the individual
13 retains such practice and membership if the individual is actively practicing
14 in and is a member of the medical staff of one of the following hospitals:]

15 “[(a) A type A hospital designated as such by the Office of Rural Health;]

16 “[(b) A type B hospital designated as such by the Office of Rural Health
17 if the hospital is:]

18 “[(A) Not within the boundaries of a metropolitan statistical area;]

19 “[(B) Located 30 or more miles from the closest hospital within the major
20 population center in a metropolitan statistical area; or]

21 “[(C) Located in a county with a population of less than 75,000;]

22 “[(c) A type C rural hospital, if the Office of Rural Health makes the
23 findings required by ORS 315.619;]

24 “[(d) A rural hospital that was designated a rural referral center by the
25 federal government before January 1, 1989, and that serves a community with
26 a population of at least 14,000 but not more than 19,000; or]

27 “[(e) A rural critical access hospital.]

28 “[(4) In order to claim the credit allowed under this section, the individual
29 must remain willing during the tax year to serve patients with Medicare cov-
30 erage and patients receiving medical assistance in at least the same proportion

1 *to the individual's total number of patients as the Medicare and medical as-*
2 *sistance populations represent of the total number of persons determined by the*
3 *Office of Rural Health to be in need of care in the county served by the prac-*
4 *tice, not to exceed 20 percent Medicare patients or 15 percent medical assist-*
5 *ance patients.]*

6 **“(1) As used in this section, ‘qualified metropolitan statistical**
7 **area’ means only those counties of a metropolitan statistical area that**
8 **are located in Oregon if the largest city within the metropolitan sta-**
9 **tistical area is located in Oregon.**

10 **“(2) A resident or nonresident individual certified as eligible under**
11 **ORS 442.563 shall be allowed an annual credit against taxes otherwise**
12 **due under ORS chapter 316 if the individual is:**

13 **“(a) Licensed as a physician under ORS chapter 677, licensed as a**
14 **physician assistant under ORS chapter 677, licensed as a nurse practi-**
15 **tioner under ORS chapter 678, licensed as a certified registered nurse**
16 **anesthetist under ORS chapter 678, licensed as a dentist under ORS**
17 **chapter 679, licensed as an optometrist under ORS 683.010 to 683.340**
18 **or licensed or certified as a mental health services provider, as pre-**
19 **scribed by the Office of Rural Health; and**

20 **“(b) Engaged in an active practice for an average of at least 20**
21 **hours per week each month during the tax year in a geographic area**
22 **described in subsection (3) of this section.**

23 **“(3) The amount of the credit shall be based on the location where**
24 **the individual maintains an active practice. If the individual's active**
25 **practice is located:**

26 **“(a) At least 20 miles but less than 50 miles from a major population**
27 **center in a qualified metropolitan statistical area, the credit is \$4,000.**

28 **“(b) At least 50 miles from a major population center in a qualified**
29 **metropolitan statistical area and in a county with a population density**
30 **of greater than six persons per square mile, the credit is \$5,000.**

1 “(c) In a county with a population density of six or fewer persons
2 per square mile, the credit is \$7,000.

3 “(4) A resident or nonresident individual who is eligible for a tax
4 credit under subsections (2) and (3) of this section shall be paid an
5 additional tax credit of \$1,000 if the individual is certified as a
6 preceptor who supervises students, interns or residents in health pro-
7 fessional training programs under criteria adopted by rule by the office
8 based on the recommendations of the Oregon Health Policy Board.

9 “(5) To claim the credit allowed under this section, the individual
10 must remain willing, during the tax year, to serve patients receiving
11 medical assistance and, if within the individual’s scope of practice,
12 patients enrolled in Medicare as a percentage of the individual’s total
13 number of patients that is at least equal to the lesser of:

14 “(a) The percentage of individuals determined by the office to be in
15 need of care in the county who are receiving medical assistance or, if
16 applicable, Medicare coverage; or

17 “(b)(A) 20 percent of Medicare enrollees, if applicable; and

18 “(B) 15 percent medical assistance recipients.

19 “[(5)] (6) A nonresident individual shall be allowed the credit under this
20 section in the proportion provided in ORS 316.117. If a change in the status
21 of a taxpayer from resident to nonresident or from nonresident to resident
22 occurs, the credit allowed by this section shall be determined in a manner
23 consistent with ORS 316.117.

24 “[(6)] (7) For purposes of this section, an [*individual’s practice*’]
25 **individual’s active practice** shall be determined on the basis of actual time
26 spent in practice each week in hours or days, whichever is considered by the
27 Office of Rural Health to be more appropriate. In the case of a shareholder
28 of a corporation or a member of a partnership, only the time of the individ-
29 ual shareholder or partner shall be considered and the full amount of the
30 credit shall be allowed to each shareholder or partner who qualifies in an

1 individual capacity.

2 “[*(7) As used in this section:*]

3 “[*(a) ‘Qualified metropolitan statistical area’ means only those counties of*
4 *a metropolitan statistical area that are located in Oregon if the largest city*
5 *within the metropolitan statistical area is located in Oregon.*]

6 “[*(b) ‘Rural critical access hospital’ means a facility that meets the criteria*
7 *set forth in 42 U.S.C. 1395i-4 (c)(2)(B) and that has been designated a critical*
8 *access hospital by the Office of Rural Health and the Oregon Health*
9 *Authority.*]

10 “[*(c) ‘Type A hospital,’ ‘type B hospital’ and ‘type C hospital’ have the*
11 *meaning for those terms provided in ORS 442.470.*].”

12 In line 17, delete “4” and insert “3”.

13 In line 18, delete “Authority” and insert “Policy Board”.

14 In line 21, delete “authority” and insert “board”.

15 In line 33, after the semicolon insert “and”.

16 Delete lines 34 through 37.

17 In line 38, delete “(E)” and insert “(D)”.

18 In line 42, after “funds” delete the rest of the line.

19 In line 43, delete “the Health Care Workforce Committee”.

20 On page 5, delete lines 7 through 12 and insert:

21 “(B)(i) Serve low income, uninsured residents; and

22 “(ii) Serve patients enrolled in Medicare and the state medical assistance
23 program in at least the same proportion to the provider’s total number of
24 patients as the Medicare and medical assistance patient populations repre-
25 sent in relation to the total number of persons determined by the Office of
26 Rural Health to be in need of health care in the area served by the practice.

27 “(3) The board may use funds allocated to the program from the Health
28 Care Provider”.

29 In line 15, delete “authority” and insert “board”.

30 In line 17, delete “authority” and insert “board”.

1 In line 21, delete “5” and insert “4”.

2 In line 34, delete “and the Oregon Health Authority”.

3 In line 45, delete “6” and insert “5”.

4 On page 7, line 32, delete “7” and insert “6”.

5 On page 8, line 13, delete “8” and insert “7”.

6 On page 9, line 31, delete “9” and insert “8”.

7 On page 11, line 4, delete “10” and insert “9”.

8 Delete lines 10 through 15 and insert:

9 **“SECTION 10.** ORS 442.563 is amended to read:

10 “442.563. (1) The Office of Rural Health shall establish criteria for certi-
11 fying individuals eligible for the tax credit authorized by ORS 315.613[,
12 315.616 or 315.619]. Upon application therefor, the office shall certify indi-
13 viduals eligible for the tax credit authorized by ORS 315.613.

14 “(2) The classification of rural hospitals for purposes of determining el-
15 igibility under this section shall be the classification of the hospital in effect
16 on January 1, 1991.”.

17 In line 16, delete “12” and insert “11”.

18 In line 21, delete “315.616.”.

19 Delete lines 29 through 34 and insert:

20 **“SECTION 12.** ORS 676.450 is amended to read:

21 “676.450. The Health Care Provider Incentive Fund is established in the
22 State Treasury, separate and distinct from the General Fund. Interest earned
23 by the Health Care Provider Incentive Fund shall be credited to the fund.
24 Moneys in the fund are continuously appropriated to the Oregon Health
25 [Authority] **Policy Board** to carry out ORS 676.460.

26 **“SECTION 13.** Section 13, chapter 829, Oregon Laws 2015, is amended to
27 read:

28 **“Sec. 13.** (1) Service agreements under ORS 442.574 [*and 348.303*] that are
29 in effect on [*the operative date of this section*] **January 1, 2018**, shall remain
30 in effect for the term specified in the agreement.

1 “(2) Individuals participating in the primary care provider loan repayment
2 program on [*the operative date of this section*] **January 1, 2018**, shall con-
3 tinue to participate for the duration of the term of the individual’s commit-
4 ment made pursuant to ORS 413.233.

5 “(3) Nothing in the repeal of ORS [*348.303,*] 413.233 and 442.574 relieves
6 a person of a liability, duty or obligation accruing under or with respect to
7 ORS [*348.303,*] 413.233 and 442.574. Payments made by participants to dis-
8 charge an obligation arising under ORS [*348.303 (6) or (7),*] 413.233 (2)(e) or
9 442.574 shall be deposited to the Health Care Provider Incentive Fund es-
10 tablished [*in section 1 of this 2015 Act*] **under ORS 676.450.**

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

14 “(5) Any unexpended balances of moneys in the Primary Health Care
15 Loan Forgiveness Program Fund are transferred to the Health Care Provider
16 Incentive Fund established under [*section 1 of this 2015 Act*] **ORS 676.450** and
17 shall be used by the Oregon Health [*Authority*] **Policy Board** to carry out
18 [*section 2 of this 2015 Act*] **ORS 676.460** and to administer the service
19 agreements entered into pursuant to ORS 442.574 that remain in effect under
20 subsection (1) of this section.

21 **“SECTION 14.** Section 9, chapter 829, Oregon Laws 2015, is amended to
22 read:

23 **“Sec. 9.** ORS [*348.303,*] 413.127, 413.233, 442.573, 442.574, 676.550, 676.552,
24 676.554 and 676.556 are repealed.

25 **“SECTION 15.** Section 12, chapter 829, Oregon Laws 2015, is amended to
26 read:

27 **“Sec. 12.** The repeal of ORS [*348.303,*] 413.127, 413.233, 442.573, 442.574,
28 676.550, 676.552, 676.554 and 676.556 by section 9, [*of this 2015 Act*] **chapter**
29 **829, Oregon Laws 2015**, becomes operative January 2, 2018.

30 **“SECTION 16.** Section 1 of this 2017 Act is amended to read:

1 **“Sec. 1.** (1) As used in this section, ‘financial incentive programs’ in-
2 cludes but is not limited to the:

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

4 “(b) Health care provider incentive program created by ORS 676.460; **and**

5 “[(c) *Rural medical practitioners insurance subsidy program under ORS*
6 *676.550*];

7 “[(d)] (c) Scholars for a Healthy Oregon Initiative created under ORS
8 348.303[; *and*]

9 “[(e) *Primary Health Care Loan Forgiveness Program created under ORS*
10 *442.574*].

11 “(2) The Oregon Health Policy Board, in collaboration with the Office of
12 Rural Health, shall:

13 “(a) Develop a uniform application form for all financial incentive pro-
14 grams and, if allowable, federally administered health care provider incentive
15 programs offered in this state; and

16 “(b) Maintain a website with information about all financial incentive
17 programs and federally administered health care provider incentive programs
18 offered in this state, including, for each program:

19 “(A) Eligibility requirements;

20 “(B) Application procedures; and

21 “(C) Contact information.

22 “(3) In order to evaluate the effectiveness of state financial incentive
23 programs in recruiting providers to practice in rural and medically under-
24 served areas and retaining providers in rural and medically underserved
25 areas, the board shall collect information about financial incentive program
26 participants, which may include:

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

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

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

1 “(d) The percentage of services provided through telemedicine; and
2 “(e) Other demographic information that the board and the Office of Ru-
3 ral Health determine to be useful in the evaluation.

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

7 “(5) The board shall compile and analyze the data collected under this
8 section and report its findings and analysis to the interim committees of the
9 Legislative Assembly related to health every two years, beginning no later
10 than September 15, 2018.

11 **“SECTION 17. ORS 315.616, 315.619, 442.561, 442.562 and 442.564 are**
12 **repealed.**

13 **“SECTION 18. The amendments to ORS 315.613 by section 2 of this**
14 **2017 Act and the repeal of ORS 315.616, 315.619, 442.561, 442.562 and**
15 **442.564 by section 17 of this 2017 Act apply to tax years beginning on**
16 **or after January 1, 2017.**

17 **“SECTION 19. The amendments to section 1 of this 2017 Act by**
18 **section 16 of this 2017 Act become operative on January 2, 2018.**

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

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