

A-Engrossed
Senate Bill 539

Ordered by the Senate May 23
Including Senate Amendments dated May 23

Sponsored by Senator PATTERSON, Representatives MANNIX, BOWMAN, Senator MANNING JR; Senator GORSEK, Representatives SOSA, WALTERS (Pre-session filed.)

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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Makes a hospital or health system report to the OHA on facility fees that are charged or billed for certain patient visits. Requires that patients be given a notice on facility fees that may be charged or billed. (Flesch Readability Score: 62.8).

Requires a hospital or the hospital's health system to report annually to the Oregon Health Authority certain information regarding facility fees that are charged or billed for patient visits at the hospital's or health system's hospital-based facilities.

Requires a hospital or the hospital's health system that charges a facility fee for a patient visit to provide a person notice of the facility fee. Requires a billing statement that includes a facility fee to include certain information.

Permits a hospital or the hospital's health system to charge, bill or collect a facility fee only for services provided on campus or at a facility that includes an emergency department. Prohibits a hospital or the hospital's health system from charging, billing or collecting a facility fee for certain services. Punishes an action to collect or an attempt to collect a facility fee that is not permitted under the Act as an unlawful collection practice.

Permits the Oregon Health Authority to impose a civil penalty for certain violations of the Act.

A BILL FOR AN ACT

1
2 Relating to fees charged for services provided in hospital-based facilities; creating new provisions;
3 and amending ORS 442.994 and 646.639.

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

5 **SECTION 1. Sections 2 to 4 of this 2025 Act are added to and made a part of ORS chapter**
6 **442.**

7 **SECTION 2. (1) A hospital licensed in this state or the hospital's health system shall re-**
8 **port annually to the Oregon Health Authority, in the form and manner prescribed by the**
9 **authority, the name and location of each hospital-based facility, or facility owned or operated**
10 **by the hospital or the hospital's health system, that provides services for which a facility fee**
11 **is charged or billed, and, for the prior calendar year, the following information:**

12 (a) **For each facility:**

13 (A) **The number of patient visits at the facility;**

14 (B) **The number, total amount and range of facility fees paid by Medicare, Medicaid and**
15 **insurers to the facility;**

16 (C) **The number, total amount and range of facility fees paid by patients who are insured**
17 **as cost-sharing obligations, and by patients who pay the facility fee out-of-pocket; and**

18 (D) **The amount of revenue from facility fees received by the hospital or the hospital's**
19 **health system from the facility; and**

20 (b) **For the hospital or the hospital's health system:**

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 total amount of revenue from facility fees received by the hospital or the
2 hospital's health system;

3 (B) A description of the 10 services performed or provided that generated the greatest
4 amount of revenue from facility fees and the total amount of facility fees received for each
5 of the services; and

6 (C) The top 10 services performed or provided, for which facility fees are charged, based
7 on patient volume.

8 (2) The authority shall post the information reported under subsection (1) of this section
9 on its website in a location that is easily accessible by the public.

10 **SECTION 3.** (1) As used in this section and sections 2 and 4 of this 2025 Act:

11 (a) "Campus" means:

12 (A) The physical area immediately adjacent to a hospital's main buildings and other areas
13 and structures that are not strictly contiguous to the main buildings but are located within
14 250 yards of the main buildings; or

15 (B) Any other area that has been determined on an individual case basis by the Centers
16 for Medicare and Medicaid Services to be part of a hospital's campus.

17 (b) "Facility fee" means any fee charged or billed by a hospital or the hospital's health
18 system for outpatient hospital services provided at a hospital-based facility that is:

19 (A) Intended to compensate the hospital or health system for the operational expenses
20 of the hospital or health system; and

21 (B) Separate and distinct from a professional fee.

22 (c) "Health system" means:

23 (A) A parent corporation of one or more hospitals and any entity affiliated with the
24 parent corporation through ownership, governance, control or membership; or

25 (B) A hospital and any entity affiliated with the hospital through ownership, governance,
26 control or membership.

27 (d) "Hospital-based facility" means a facility that is owned or operated, in whole or in
28 part, by a hospital or the hospital's health system and where hospital or health services are
29 provided.

30 (e) "Professional fee" means any fee charged or billed by a provider for health services
31 provided at a hospital-based facility.

32 (2) If a hospital licensed in this state or the hospital's health system charges a facility
33 fee for a patient visit at a hospital-based facility that is located on or off of the hospital's
34 campus, the hospital or health system shall provide notice of the facility fee:

35 (a) To a person at the time that the person schedules an appointment with the hospital-
36 based facility;

37 (b) In writing, to a person at the time that the person arrives at the hospital-based fa-
38 cility for an appointment; and

39 (c) In writing, to a person who receives emergency health services at the hospital-based
40 facility, as soon as practicable after the person is stabilized, or to a representative of the
41 person as soon as practicable after the person is stabilized if the person is unable to rea-
42 sonably read and understand the notice.

43 (3) A notice provided under subsection (2) of this section must include the following in-
44 formation, in plain language and in a manner that may be understood by a person who does
45 not possess special knowledge regarding hospital or health system facility fees:

1 (a) An explanation that the hospital-based facility charges a facility fee that is in addition
2 to and separate from the professional fee charged by providers at the hospital-based facility;

3 (b)(A) The amount of the person's potential financial liability for any facility fee likely
4 to be charged; or

5 (B) If the exact type and extent of the health services to be provided are not known or
6 the terms of a person's health insurance coverage are not known with reasonable certainty,
7 an estimate of the person's financial liability for any facility fee likely to be charged, based
8 on typical or average facility fees charged at the hospital-based facility;

9 (c) An explanation that the person may incur financial liability that is greater than the
10 person would incur if the health services were provided at a facility that was not a
11 hospital-based facility; and

12 (d) Notice of the person's right to request a reduction in the facility fee and instructions
13 for the person on how to request a reduction.

14 (4) A billing statement from a hospital, health system or hospital-based facility that in-
15 cludes a charge for a facility fee must clearly identify and itemize the fee as a facility fee
16 that is billed in addition to, or separately from, any professional fee that is billed.

17 **SECTION 4.** (1) A hospital or the hospital's health system may not charge, bill or collect
18 a facility fee except for health services that are provided:

19 (a) At a facility that is located on the hospital's campus; or

20 (b) At a hospital-based facility of the hospital that includes an emergency department.

21 (2) Notwithstanding subsection (1) of this section, a hospital or the hospital's health
22 system may not charge, bill or collect a facility fee for services billed using a for services
23 billed using the American Medical Association's Current Procedural Terminology code for
24 "evaluation and management" or "assessment and management" or a similar code.

25 (3) A person that collects or attempts to collect a facility fee that may not be charged,
26 billed or collected under this section is subject to ORS 646.639.

27 **SECTION 5.** Notwithstanding section 4 of this 2025 Act, if a hospital or the hospital's
28 health system has a contract with an insurer that is in effect on the date this 2025 Act takes
29 effect, and that requires reimbursement for facility fees prohibited by section 4 of this 2025
30 Act, the hospital or the hospital's health system may continue to collect reimbursement
31 from the insurer for the facility fees until the expiration or renewal of the contract.

32 **SECTION 6.** ORS 442.994 is amended to read:

33 442.994. (1) Any health care facility or health system, as defined in section 3 of this 2025
34 Act, that fails to perform as required in ORS 442.602 and 442.400 to 442.463 or 442.855 or section
35 2 or 3 of this 2025 Act[, and] or rules of the Oregon Health Authority may be subject to a civil
36 penalty.

37 (2) The Oregon Health Authority shall adopt a schedule of penalties not to exceed \$500 per day
38 of violation, determined by the severity of the violation.

39 (3) Civil penalties under this section shall be imposed as provided in ORS 183.745.

40 (4) Civil penalties imposed under this section may be remitted or mitigated upon such terms and
41 conditions as the authority considers proper and consistent with the public health and safety.

42 (5) Civil penalties incurred under any law of this state are not allowable as costs for the purpose
43 of rate determination or for reimbursement by a third-party payer.

44 **SECTION 7.** ORS 646.639, as amended by section 29, chapter 100, Oregon Laws 2024, is
45 amended to read:

1 646.639. (1) As used in this section and ORS 646A.670:

2 (a) "Charged-off debt" means a debt that a creditor treats as a loss or expense and not as an
3 asset.

4 (b) "Consumer" means a natural person who purchases or acquires property, services or credit
5 for personal, family or household purposes.

6 (c) "Consumer transaction" means a transaction between a consumer and a person that sells,
7 leases or provides property, services or credit to consumers.

8 (d) "Credit" means a right that a creditor grants to a consumer to defer payment of a debt, to
9 incur a debt and defer payment of the debt, or to purchase or acquire property or services and defer
10 payment for the property or services.

11 (e) "Creditor" means a person that, in the ordinary course of the person's business, engages in
12 consumer transactions that result in a consumer owing a debt to the person.

13 (f) "Debt" means an obligation or alleged obligation that arises out of a consumer transaction.

14 (g)(A) "Debt buyer" means a person that regularly engages in the business of purchasing
15 charged-off debt for the purpose of collecting the charged-off debt or hiring another person to collect
16 or bring legal action to collect the charged-off debt.

17 (B) "Debt buyer" does not include a person that acquires charged-off debt as an incidental part
18 of acquiring a portfolio of debt that is predominantly not charged-off debt.

19 (h) "Debt collector" means a person that by direct or indirect action, conduct or practice col-
20 lects or attempts to collect a debt owed, or alleged to be owed, to a creditor or debt buyer.

21 (i) "Debtor" means a consumer who owes or allegedly owes a debt, including a consumer who
22 owes an amount that differs from the amount that a debt collector attempts to collect or that a debt
23 buyer purchased or attempts to collect.

24 (j) "Legal action" means a lawsuit, mediation, arbitration or any other proceeding in any court,
25 including a small claims court.

26 (k) "Original creditor" means the last entity that extended credit to a consumer to purchase
27 goods or services, to lease goods or as a loan of moneys.

28 (L) "Person" means an individual, corporation, trust, partnership, incorporated or
29 unincorporated association or any other legal entity.

30 (2) A debt collector engages in an unlawful collection practice if the debt collector, while col-
31 lecting or attempting to collect a debt, does any of the following:

32 (a) Uses or threatens to use force or violence to cause physical harm to a debtor or to the
33 debtor's family or property.

34 (b) Threatens arrest or criminal prosecution.

35 (c) Threatens to seize, attach or sell a debtor's property if doing so requires a court order and
36 the debt collector does not disclose that seizing, attaching or selling the debtor's property requires
37 prior court proceedings.

38 (d) Uses profane, obscene or abusive language in communicating with a debtor or the debtor's
39 family.

40 (e) Communicates with a debtor or any member of the debtor's family repeatedly or continuously
41 or at times known to be inconvenient to the debtor or any member of the debtor's family and with
42 intent to harass or annoy the debtor or any member of the debtor's family.

43 (f) Communicates or threatens to communicate with a debtor's employer concerning the nature
44 or existence of the debt.

45 (g) Communicates without a debtor's permission or threatens to communicate with the debtor

1 at the debtor's place of employment if the place of employment is other than the debtor's residence,
2 except that the debt collector may:

3 (A) Write to the debtor at the debtor's place of employment if a home address is not reasonably
4 available and if the envelope does not reveal that the communication is from a debt collector other
5 than the person that provided the goods, services or credit from which the debt arose.

6 (B) Telephone a debtor's place of employment without informing any other person of the nature
7 of the call or identifying the caller as a debt collector but only if the debt collector in good faith
8 has made an unsuccessful attempt to telephone the debtor at the debtor's residence during the day
9 or during the evening between the hours of 6 p.m. and 9 p.m. The debt collector may not contact
10 the debtor at the debtor's place of employment more frequently than once each business week and
11 may not telephone the debtor at the debtor's place of employment if the debtor notifies the debt
12 collector not to telephone at the debtor's place of employment or if the debt collector knows or has
13 reason to know that the debtor's employer prohibits the debtor from receiving such communication.
14 For the purposes of this subparagraph, any language in any agreement, contract or instrument that
15 creates or is evidence of the debt and that purports to authorize telephone calls at the debtor's place
16 of employment does not give permission to the debt collector to call the debtor at the debtor's place
17 of employment.

18 (h) Communicates with a debtor in writing without clearly identifying the name of the debt
19 collector, the name of the person, if any, for whom the debt collector is attempting to collect the
20 debt and the debt collector's business address, on all initial communications. In subsequent commu-
21 nications involving multiple accounts, the debt collector may eliminate the name of the person, if
22 any, for whom the debt collector is attempting to collect the debt and substitute the term
23 "various" in place of the person's name.

24 (i) Communicates with a debtor orally without disclosing to the debtor, within 30 seconds after
25 beginning the communication, the name of the individual who is initiating the communication and
26 the true purpose of the communication.

27 (j) Conceals the true purpose of the communication so as to cause any expense to a debtor in
28 the form of long distance telephone calls, telegram fees, additional charges for wireless communi-
29 cation or other charges the debtor might incur by using a medium of communication.

30 (k) Attempts or threatens to enforce a right or remedy while knowing or having reason to know
31 that the right or remedy does not exist, or threatens to take any action that the debt collector in
32 the regular course of business does not take.

33 (L) Uses any form of communication that simulates legal or judicial process or that appears to
34 be authorized, issued or approved by a governmental agency, governmental official or an attorney
35 at law if the corresponding governmental agency, governmental official or attorney at law has not
36 in fact authorized or approved the communication.

37 (m) Represents that an existing debt may be increased by the addition of attorney fees, investi-
38 gation fees or any other fees or charges if the fees or charges may not legally be added to the ex-
39 isting debt.

40 (n) Collects or attempts to collect, by any means, including through legal action, interest or
41 other charges or fees that exceed the actual debt unless the agreement, contract or instrument that
42 creates the debt expressly authorizes, or a law expressly allows, the interest or other charges or
43 fees. A debt collector may not be held liable in any action brought under this paragraph if the debt
44 collector shows by a preponderance of evidence that the violation was not intentional and resulted
45 from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid

1 any such error. The fact that the debt collector obtains a judgment for less than the amount sought
 2 in the complaint, or fails to obtain a judgment at all, does not by itself constitute evidence of a vi-
 3 olation of this paragraph.

4 (o) Threatens to assign or sell a debtor's account and misrepresents or implies that the debtor
 5 would lose any defense to the debt or would be subjected to harsh, vindictive or abusive collection
 6 tactics.

7 (p) Uses the seal or letterhead of a public official or a public agency, as those terms are defined
 8 in ORS 171.725.

9 (q) Collects or attempts to collect any debt that the debt collector knows, or after exercising
 10 reasonable diligence would know, arises from medical expenses that qualify for reimbursement under
 11 the Oregon Health Plan or under Medicaid, except that:

12 (A) The debt collector does not engage in an unlawful collection practice if the debt collector
 13 can produce an affidavit or certificate from the original creditor that shows that the original cred-
 14 itor complied with Oregon Health Authority rules barring payments for services that Medicaid fee-
 15 for-service plans or contracted health care plans cover; and

16 (B) For purposes of this paragraph, a prepaid managed care health services organization, a co-
 17 ordinated care organization or a public body, as defined in ORS 174.109, or an agent or assignee of
 18 the organization or public body, is not a debt collector if the organization or public body seeks to
 19 collect a debt that arises under ORS 416.540.

20 **(r) Collects or attempts to collect a debt that the debt collector knows, or after exercis-**
 21 **ing reasonable diligence would know, arises from a facility fee that may not be charged, billed**
 22 **or collected under section 4 of this 2025 Act.**

23 [(r)] (s) Files a legal action to collect or files a legal action to attempt to collect a debt if the
 24 debt collector knows, or after exercising reasonable diligence would know, that an applicable statute
 25 of limitations bars the collection or the collection attempt.

26 [(s)] (t) Collects or attempts to collect or threatens to collect a debt by any means, including
 27 through legal action, if the debt collector knows, or through the exercise of reasonable care should
 28 know, that the debt does not exist or is not owed by the debtor. A debt collector may not be held
 29 liable in any action brought under this paragraph if the debt collector shows by a preponderance
 30 of evidence that the violation was not intentional and resulted from a bona fide error
 31 notwithstanding the maintenance of procedures reasonably adapted to avoid any such error. The fact
 32 that the debt collector obtains a judgment for less than the amount sought in the complaint or fails
 33 to obtain a judgment at all does not by itself establish a violation of this paragraph.

34 [(t)] (u) Collects or attempts to collect a debt if the debt collector is a debt buyer, or is acting
 35 on a debt buyer's behalf, and collects or attempts to collect purchased debt before providing to a
 36 debtor, within 30 days after the date of the debtor's request, all of the documents listed in subsection
 37 (4)(b) of this section.

38 [(u)] (v) Collects or attempts to collect a debt without complying with the requirements of ORS
 39 646A.677.

40 (3) A debt collector engages in an unlawful collection practice if the debt collector, by use of
 41 any direct or indirect action, conduct or practice, enforces or attempts to enforce an obligation
 42 made void and unenforceable by the provisions of ORS 759.720 (3) to (5).

43 (4) A debt buyer or debt collector acting on behalf of a debt buyer engages in an unlawful col-
 44 lection practice if the debt buyer or debt collector:

45 (a) Files legal action against a debtor or files legal action to attempt to collect a debt if the debt

1 buyer or debt collector knows or after exercising reasonable diligence would know that an applica-
2 ble statute of limitations bars the legal action to collect or the legal action to attempt to collect the
3 debt;

4 (b) Brings a legal action against a debtor or otherwise brings a legal action to attempt to collect
5 a debt without possessing business records that satisfy the requirements of ORS 40.460 (6), or of ORS
6 24.115, if the record is a foreign judgment, that establish the nature and the amount of the debt and
7 that include:

8 (A) The original creditor's name, written as the original creditor used the name in dealings with
9 the debtor;

10 (B) The name and address of the debtor;

11 (C) The name, address and telephone number of the person that owns the debt and a statement
12 as to whether the person is a debt buyer;

13 (D) The last four digits of the original creditor's account number for the debt, if the original
14 creditor's account number for the debt had four or more digits;

15 (E) A detailed and itemized statement of:

16 (i) The amount the debtor last paid on the debt, if the debtor made a payment, and the date of
17 the payment;

18 (ii) The amount and date of the debtor's last payment on the debt before the debtor defaulted
19 or before the debt became charged-off debt;

20 (iii) The balance due on the debt on the date on which the debt became charged-off debt;

21 (iv) The amount and rate of interest, any fees and any charges that the original creditor im-
22 posed, if the debt buyer or debt collector knows the amount, rate, fee or charge;

23 (v) The amount and rate of interest, any fees and any charges that the debt buyer or any pre-
24 vious owner of the debt imposed, if the debt buyer or debt collector knows the amount, rate, fee or
25 charge;

26 (vi) The attorney fees the debt buyer or debt collector seeks, if the debt buyer or debt collector
27 expects to recover attorney fees; and

28 (vii) Any other fee, cost or charge the debt buyer seeks to recover;

29 (F) Evidence that the debt buyer and only the debt buyer owns the debt;

30 (G) The date on which the debt buyer purchased the debt; and

31 (H) A copy of the agreement between the original creditor and the debtor that is either:

32 (i) The contract or other writing the debtor signed that created and is evidence of the original
33 debt; or

34 (ii) A copy of the most recent monthly statement that shows a purchase transaction or balance
35 transfer or the debtor's last payment, if the debtor made a payment, if the debt is a credit card debt
36 or other debt for which a contract or other writing that is evidence of the debt does not exist;

37 (c) Fails to provide to a debtor, after the debt buyer or debt collector receives payment in cash
38 or the debtor requests the receipt, a receipt that:

39 (A) Shows the name of the creditor or creditors for whom the debt buyer or debt collector re-
40 ceived the payment and, if the creditor is not the original creditor, the account number that the
41 original creditor assigned; and

42 (B) States clearly whether the debt buyer or debt collector accepts the payment as payment in
43 full or as a full and final compromise of the debt and, if not, the balance remaining on the debt after
44 the payment;

45 (d) Collects or attempts to collect a debt before providing, in response to a debtor's request, the

1 documents required under paragraph (b) of this subsection. A debt buyer or a debt collector that
2 acts on the debt buyer's behalf does not engage in an unlawful collection practice under this para-
3 graph if the debt buyer or debt collector collects or attempts to collect a debt after providing the
4 required documents to the debtor; or

5 (e) Uses any direct or indirect action, conduct or practice to violate a provision of this section
6 or ORS 646A.670.

7 (5) A debt collector is not acting on a debt buyer's behalf, and is not subject to the duties to
8 which a debt buyer is subject under this section and ORS 646A.670, if the debt collector collects or
9 attempts to collect a debt on behalf of an owner that retains a direct interest in the debt or if the
10 debt is not a debt that a debt buyer purchased.

11 **SECTION 8. Sections 3 and 4 of this 2025 Act apply to services provided at a hospital-**
12 **based facility on or after the effective date of this 2025 Act.**

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