

Senate Bill 1575

Sponsored by Senators PATTERSON, GELSER BLOUIN, MANNING JR, Representatives ANDERSEN, NELSON; Senators FREDERICK, GOLDEN, JAMA, NERON MISSLIN, PROZANSKI, REYNOLDS, TAYLOR, WEBER, Representatives BOWMAN, CHAICHI, CHOTZEN, FRAGALA, GAMBA, GOMBERG, GRAYBER, HARTMAN, LEVY B, MCDONALD, MUNOZ, NOSSE, PHAM H, WALTERS, WISE (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 **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act makes changes to licensing laws for hospice programs. (Flesch Readability Score: 69.7).

Adds new requirements for obtaining an initial license to operate and maintain a hospice program. Requires a hospice program to apply for a new initial license after a change in ownership. Prohibits individuals who have been excluded from participation in Medicare or Medicaid or have been found liable for fraud or abuse from holding an ownership interest in a hospice program.

Requires the Oregon Health Authority to complete rulemaking within 24 months. Subject to exceptions, prohibits the authority from issuing new hospice licenses until rulemaking is complete.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to hospice licensure; creating new provisions; amending ORS 443.860; and declaring an
3 emergency.

4 Whereas the provision of high-quality hospice services is essential for the compassionate care
5 of terminally ill Oregonians and their families; and

6 Whereas enhanced regulation of new hospice program licenses is necessary to prevent the rapid
7 proliferation of unqualified or fraudulent providers and to protect vulnerable patients; and

8 Whereas a temporary moratorium on new hospice program licenses is necessary to allow the
9 Oregon Health Authority sufficient time to strengthen licensing standards and enforcement mech-
10 anisms; now, therefore,

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

12 **SECTION 1.** ORS 443.860 is amended to read:

13 443.860. (1) A person may not establish, [*conduct*] **operate** or maintain a hospice program pro-
14 viding hospice services, or hold itself out to the public as a hospice program, without obtaining a
15 license from the Oregon Health Authority.

16 [*(2) The authority:*]

17 [*(a) Shall adopt rules to carry out the provisions of ORS 443.850 to 443.869, including but not*
18 *limited to rules for licensure that require an in-person site inspection of each licensed hospice program*
19 *at least once every three years.*]

20 [*(b) May accept certification by a federal agency or accreditation by an accrediting organization*
21 *approved by the authority as evidence of compliance with the requirements for licensure adopted under*
22 *paragraph (a) of this subsection if:*]

23 [*(A) The certification or accreditation meets standards and conditions established for hospice pro-*
24 *grams by the Centers for Medicare and Medicaid Services;*]

25 [*(B) The hospice program invites the authority to participate in any exit interview conducted by the*

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 *agency or organization; and]*

2 *[(C) The hospice program provides the authority with copies of all documentation requested by the*
3 *authority concerning the certification or accreditation.]*

4 *[(3) The fee to obtain or renew a hospice program license is \$1,140.]*

5 *[(4) The authority shall prescribe by rule the form and manner for application for or renewal of*
6 *a license. The authority shall issue a license to an applicant that has the necessary qualifications, meets*
7 *all requirements established by the authority by rule and has paid the fee.]*

8 *[(5) A license issued under this section is valid for one year and is not transferable. A license may*
9 *be renewed by payment of the fee and demonstration of compliance with requirements for renewal es-*
10 *tablished by the authority by rule.]*

11 **(2) The authority shall prescribe the form and manner for applying for an initial license**
12 **or renewal of a license.**

13 **(3) The authority shall establish application fees for an initial or renewal license, not to**
14 **exceed the costs of administering ORS 443.850 to 443.869. In adopting application fees under**
15 **this subsection, the authority may adopt a graduated fee structure based on factors such as**
16 **annual patient census or total revenue.**

17 **(4) An application for an initial license shall include:**

18 **(a)(A) Any negative performance history of the applicant, including:**

19 **(i) Any hospice or other health care license suspension or revocation, adverse regulatory**
20 **finding or other sanction;**

21 **(ii) Any determination, adjudication or settlement related to health care fraud or abuse;**
22 **and**

23 **(iii) Any exclusion or proposed exclusion from Medicare, Medicaid or any other federal**
24 **or state health care program;**

25 **(B) As used in this paragraph, "applicant" includes:**

26 **(i) Any entity managed by the proposed administrator or proposed medical director of the**
27 **applicant; and**

28 **(ii) Any entity in which an owner of the applicant holds a five percent or greater own-**
29 **ership interest.**

30 **(b) Documentation demonstrating that the proposed administrator and proposed medical**
31 **director of the applicant meet minimum training and qualification requirements, as estab-**
32 **lished by the authority by rule;**

33 **(c) The tax status of the applicant; and**

34 **(d) The financial and operational information required under subsection (5) of this sec-**
35 **tion.**

36 **(5)(a) The authority shall adopt a financial and operational capacity review process to**
37 **ensure that applicants possess adequate resources to operate safely and continuously for the**
38 **initial licensure period of one year. The process shall require an applicant for an initial li-**
39 **cence to submit the following information:**

40 **(A) A pro forma operating budget, in a format prescribed by the authority and including**
41 **projected revenues, expenditures, staffing and patient days for the first one year of opera-**
42 **tion;**

43 **(B) Documentation demonstrating that the applicant has sufficient financial resources**
44 **to sustain operations for the initial one year licensure period, including the capacity to**
45 **maintain operations during potential delays in reimbursement; and**

1 (C) An attestation, signed by an authorized representative of the applicant, acknowledg-
 2 ing that reimbursement delays may occur and affirming the applicant's ability to maintain
 3 operations during such delays.

4 (b) The authority shall review an applicant's pro forma operating budget for complete-
 5 ness, internal consistency and reasonable feasibility, as defined by the authority by rule.

6 (c) If the authority determines that an applicant does not possess adequate resources to
 7 operate safely and continuously for the initial one-year licensure period, the authority shall
 8 deny the application.

9 (6) Upon receipt of an application and fee for an initial license, the authority shall con-
 10 duct an investigation, including:

11 (a) A criminal records check under ORS 181A.195 on:

12 (A) The proposed administrator;

13 (B) The proposed medical director; and

14 (C) If the applicant is a privately owned entity, any individual who holds a five percent
 15 or greater ownership interest in the applicant entity; and

16 (b) A review of the information submitted under subsections (4) and (5) of this section.

17 (7) The authority may accept certification by a federal agency or accreditation by an
 18 accrediting organization approved by the authority as evidence of compliance with the re-
 19 quirements for licensure adopted under this section if:

20 (a) The certification or accreditation meets standards and conditions established for
 21 hospice programs by the Centers for Medicare and Medicaid Services;

22 (b) The hospice program invites the authority to participate in any exit interview con-
 23 ducted by the agency or organization; and

24 (c) The hospice program provides the authority with copies of all documentation re-
 25 quested by the authority concerning the certification or accreditation.

26 (8) The authority may deny an application for an initial license:

27 (a) If the applicant fails to provide accurate information under subsection (4) of this
 28 section;

29 (b) Based on the severity or frequency of the applicant's negative performance history,
 30 as described in subsection (4) of this section; and

31 (c) For other reasons established by the authority by rule.

32 (9) The authority shall issue a license to an applicant that:

33 (a) Meets all requirements under ORS 443.850 to 443.869 and rules adopted under ORS
 34 443.850 to 443.869; and

35 (b) Has paid the application fee.

36 (10) A license issued under this section is valid for one year and is not transferable.

37 (11) A license may be renewed by payment of the application fee established under sub-
 38 section (3) of this section and demonstration of compliance with requirements for renewal
 39 established by the authority by rule.

40 (12) A person may not hold an ownership interest in a hospice program licensed under
 41 this section if the person has been:

42 (a) Excluded from participation in the Medicare or Medicaid programs; or

43 (b) Found liable for health care fraud or abuse in any jurisdiction.

44 (13) The authority shall adopt rules to carry out the provisions of ORS 443.850 to 443.869,
 45 including but not limited to rules that require an in-person site inspection of each licensed

1 hospice program at least once every three years.

2 **SECTION 2.** Sections 3 and 4 of this 2026 Act are added to and made a part of ORS 443.850
3 to 443.869.

4 **SECTION 3.** (1) As used in this section, “consumer assessment survey” means a survey
5 developed by the Centers for Medicare and Medicaid Services that assesses the experiences
6 of patients who died while receiving hospice care and the experiences of the patients’ in-
7 formal primary caregivers.

8 (2) The Oregon Health Authority may require an applicant for an initial license or re-
9 newal of a license under ORS 443.860 to submit the performance history from other states,
10 including past licensing survey results, of the:

- 11 (a) Hospice program applying for a license;
- 12 (b) Owner of the hospice program;
- 13 (c) Administrator or proposed administrator of the hospice program; and
- 14 (d) Medical director or proposed medical director of the hospice program.

15 (3) If an applicant operates a hospice program in this state or any other state, to be eli-
16 gible for an initial or renewal license under ORS 443.860, the applicant must have submitted
17 the consumer assessment survey results for the previous year to the Centers for Medicare
18 and Medicaid Services, unless the applicant received an exemption from the Centers for
19 Medicare and Medicaid Services.

20 **SECTION 4.** (1) If a person acquires a five percent or greater ownership interest in a
21 privately owned hospice program licensed under ORS 443.860, the hospice program shall
22 submit a new application for an initial license under ORS 443.860.

23 (2) The Oregon Health Authority may deny the application and suspend or revoke the
24 hospice program’s license if the authority determines that the new owner has a significant
25 history of prior noncompliance or enforcement actions taken against the owner.

26 **SECTION 5.** The Oregon Health Authority shall complete rulemaking required under the
27 amendments to ORS 443.860 by section 1 of this 2026 Act no later than 24 months after the
28 effective date of this 2026 Act.

29 **SECTION 6.** (1) As used in this section:

30 (a) “Hospice program” and “hospice services” have the meanings given those terms in
31 ORS 443.850.

32 (b) “Underserved area” means a geographic area of this state in which residents do not
33 have adequate access to hospice services, including:

- 34 (A) An area with no hospice program currently serving residents;
- 35 (B) An area in which existing hospice programs lack capacity to meet community need;
- 36 and

37 (C) An area designated by state or federal laws or regulations as rural, frontier or med-
38 ically underserved.

39 (c) “Underserved population” means a group of individuals that experience barriers to
40 accessing hospice services, including:

- 41 (A) Residents of rural or frontier counties;
- 42 (B) Members of the nine federally recognized Indian tribes in this state;
- 43 (C) Individuals with limited English proficiency;
- 44 (D) Individuals with disabilities;
- 45 (E) Members of racial or ethnic minority communities; and

1 (F) Individuals with low incomes or inadequate health care coverage.

2 (2) Except as provided in subsection (3) of this section, until the Oregon Health Authority
3 has completed rulemaking required under the amendments to ORS 443.860 by section 1 of
4 this 2026 Act, the authority may not issue any new initial licenses under ORS 443.860.

5 (3) During the time frame specified in subsection (2) of this section, the authority may
6 issue a new initial license under ORS 443.860 to the following:

7 (a) A hospice program licensed under ORS 443.860 that is seeking to expand its service
8 area;

9 (b) A health care provider or long term care provider licensed in this state that is seek-
10 ing to provide hospice services to existing patients or residents; and

11 (c) An applicant that proposes to serve an underserved area or an underserved popu-
12 lation.

13 SECTION 7. Section 6 of this 2026 Act is repealed on January 2, 2029.

14 SECTION 8. This 2026 Act being necessary for the immediate preservation of the public
15 peace, health and safety, an emergency is declared to exist, and this 2026 Act takes effect
16 on its passage.

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