

**Enrolled**  
**House Bill 3261**

Sponsored by Representative NATHANSON, Senator STEINER HAYWARD; Representatives ALONSO LEON, BUEHLER, BYNUM, EVANS, FAHEY, MCKEOWN, MEEK, SOLLMAN, Senator MONNES ANDERSON

CHAPTER .....

AN ACT

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

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

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

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

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

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

- (a) **Rural health care provider tax credit available under ORS 315.613;**
- (b) **Rural medical practitioners insurance subsidy program under ORS 676.550;**
- (c) **Scholars for a Healthy Oregon Initiative created by ORS 348.303;**
- (d) **Primary Health Care Loan Forgiveness Program created by ORS 442.574; and**
- (e) **Incentives provided by the health care provider incentive program created by ORS 676.460.**

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

- (a) **The month and year of entry into the program;**
- (b) **The locations of service and duration of service in each location;**
- (c) **The main services provided, discipline, specialty and hours of direct patient care;**
- (d) **The percentage of services provided through telemedicine; and**

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

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

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

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

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

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

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

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

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

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

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

(v) Include technical assistance; and

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

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

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

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

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

(B) Are designed to improve the access to health care by medical assistance recipients and Medicare enrollees to the same extent that each plan improves access to health care by the general population of the community; and

(C) Are sustainable over the long term.

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

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

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

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

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

(2) \$4 million to be transferred to the Primary Care Provider Loan Repayment Fund established under ORS 413.127.

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

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

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

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

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

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

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

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

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

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

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

**(A) Loan repayment subsidies;**

**(B) Stipends;**

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

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

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

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

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

**(F) Paying the moving expenses of providers not located in rural or medically underserved areas who commit to relocate to such areas;**

(d) If the funds allocated to the program from the Health Care Provider Incentive Fund established under ORS 676.450 are insufficient to provide assistance to all of the applicants who are eligible to participate in the program, the priority for the distribution of funds, *based on guidance from the Health Care Workforce Committee*; and

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

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

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

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

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

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

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

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

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

**(5) The authority shall decide no later than September 1 of each academic year the distribution of funds for scholarships that will be provided in the next academic year.**

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

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

442.470. As used in ORS 442.470 to 442.507:

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

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

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

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

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

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

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

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

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

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

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

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

348.303. (1) As used in this section:

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

(b) "Health care practitioner" means a:

(A) Physician licensed under ORS chapter 677;

(B) Dentist licensed under ORS chapter 679;

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

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

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

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

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

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

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

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

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

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

(c) Execute a service agreement stating that:

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

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

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

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

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

(b) First generation college students; or

(c) Individuals from a diverse or underrepresented community.

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

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

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

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

(a) Collect any amounts due;

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

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

(9) Any moneys received or collected by the Oregon Health and Science University under subsections (6) to (8) of this section shall be deposited into a separate fund held by the university for

the purpose of carrying out the provisions of this section. The university may not use the moneys in these funds for any other purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) The authority shall be the decision-making authority for the purpose of certificates of need. The authority may establish an expedited review process for an application for a certificate of need to rebuild a long term care facility, relocate buildings that are part of a long term care facility or relocate long term care facility bed capacity from one long term care facility to another. The au-

thority shall issue a proposed order not later than 120 days after the date a complete application for expedited review is received by the authority.

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

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

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

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

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

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

(9) Nothing in this section applies to basic health services, but basic health services do not include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(9) Nothing in this section applies to basic health services, but basic health services do not include:

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

(10) In addition to any other remedy provided by law, whenever it appears that any person is engaged in, or is about to engage in, any acts that constitute a violation of this section, or any rule



or order issued by the authority under this section, the authority may institute proceedings in the circuit courts to enforce obedience to such statute, rule or order by injunction or by other processes, mandatory or otherwise.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**Passed by House July 5, 2017**

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

**Passed by Senate July 7, 2017**

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Peter Courtney, President of Senate

**Received by Governor:**

.....M,....., 2017

**Approved:**

.....M,....., 2017

.....  
Kate Brown, Governor

**Filed in Office of Secretary of State:**


.....M,....., 2017

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Dennis Richardson, Secretary of State

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## 2017 Regular Session

HB 3261 Enrolled (</liz/2017R1/Downloads/MeasureDocument/HB3261>)

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### Overview


#### At the request of:

**Chief Sponsors:** Representative Nathanson (<http://www.oregonlegislature.gov/nathanson>), Senator Steiner Hayward (<http://www.oregonlegislature.gov/steinerhayward/>)

Representative Alonso Leon (<https://www.oregonlegislature.gov/alonsoleon>), Buehler (<http://www.oregonlegislature.gov/buehler>), Bynum (<https://www.oregonlegislature.gov/bynum>), Evans (<http://www.oregonlegislature.gov/evans>), Fahey (<https://www.oregonlegislature.gov/fahey>), McKeown (<http://www.oregonlegislature.gov/mckeown>), Meek (<https://www.oregonlegislature.gov/meek>), Sollman (<https://www.oregonlegislature.gov/sollman>), Senator Monnes Anderson (<http://www.oregonlegislature.gov/monnesanderson>)

**Regular Sponsors:** Representative Nathanson (<http://www.oregonlegislature.gov/nathanson>), Senator Steiner Hayward (<http://www.oregonlegislature.gov/steinerhayward/>)

**Bill Title:** Relating to health care provider incentives; and prescribing an effective date.

**Catchline/Summary:** Requires Oregon Health Policy Board, in collaboration with Office of Rural Health and Oregon Health and Science University, to conduct assessment of health care workforce needs in Oregon. 

**Chapter Number:** Chapter 718

**Fiscal Impact:** Fiscal Impact Issued

**Revenue Impact:** No Revenue Impact

**Measure Analysis:** Staff Measure Summary / Impact Statements (</liz/2017R1/Measures/Analysis/HB3261>)

**Current Location:** Chapter Number Assigned

**Current Committee:** ()



**Current Subcommittee:**

**Subsequent Referral(s):**

### Measure History


**3-2 (H)** First reading. Referred to Speaker's desk.



**3-9 (H)** Referred to Human Services and Housing.

**3-21 (H)** Work Session held. (</liz/2017R1/Committees/HHS/2017-03-21-08-00/HB3261/Details>)  (</liz/2017R1/Committees/HHS/2017-03-21-08-00>) 

**3-22 (H)** Without recommendation as to passage and be referred to Health Care.

**3-22 (H)** Referred to Health Care by order of Speaker.


**3-27 (H)** Public Hearing held. (</liz/2017R1/Committees/HHC/2017-03-27-15-00/HB3261/Details>)  (</liz/2017R1/Committees/HHC/2017-03-27-15-00>)

**4-17 (H)** Work Session held. (</liz/2017R1/Committees/HHC/2017-04-17-15-00/HB3261/Details>)  (</liz/2017R1/Committees/HHC/2017-04-17-15-00>) 

**4-24 (H)** Recommendation: Do pass with amendments, be printed A-Engrossed, and be referred to Ways and Means.

**4-24 (H)** Referred to Ways and Means by order of Speaker.

**6-21 (H)** Assigned to Subcommittee On Human Services.

**6-28 (H)** Public Hearing and Work Session held. (</liz/2017R1/Committees/JWMHS/2017-06-28-08-30/HB3261/Details>)  (</liz/2017R1/Committees/JWMHS/2017-06-28-08-30>)

**6-28 (H)** Returned to Full Committee.

<b>6-29 (H)</b>	Work Session held. ( <a href="/liz/2017R1/Committees/JWM/2017-06-29-12-00/HB3261/Details">/liz/2017R1/Committees/JWM/2017-06-29-12-00/HB3261/Details</a> ) ( <a href="/liz/2017R1/Committees/JWM/2017-06-29-12-00">/liz/2017R1/Committees/JWM/2017-06-29-12-00</a> )
<b>7-1 (H)</b>	Recommendation: Do pass with amendments and be printed B-Engrossed.
<b>7-5 (H)</b>	Second reading.
<b>7-5 (H)</b>	Rules suspended. Third reading. Carried by Nathanson. Passed.Ayes, 59; Excused, 1--Boone.
<b>7-6 (S)</b>	First reading. Referred to President's desk.
<b>7-6 (S)</b>	Referred to Ways and Means.
<b>7-7 (S)</b>	Recommendation: Do pass the B-Eng. bill.
<b>7-7 (S)</b>	Second reading.
<b>7-7 (S)</b>	Rules suspended. Third reading. Carried by Steiner Hayward. Passed.Ayes, 29; excused, 1--Linthicum.
<b>7-18 (H)</b>	Speaker signed.
<b>7-18 (S)</b>	President signed.
<b>8-16 (H)</b>	Governor signed.
<b>8-18 (H)</b>	Chapter 718, (2017 Laws): Effective date October 6, 2017.

#### Scheduled Events

#### Oregon State Legislature

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