

A-Engrossed
House Bill 3396

Ordered by the House April 23
Including House Amendments dated April 23

Sponsored by Representative NATHANSON, Senator BATES

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.

Creates Health Care Provider Incentive Fund. Transfers moneys from Primary Care Provider Loan Repayment Fund and Primary Health Care Loan Forgiveness Program Fund[, *and certain other moneys,*] to Health Care Provider Incentive Fund. Transfers primary care provider loan repayment program from Oregon Health Authority to Office of Rural Health.

Requires office, counseled by advisory committee, to distribute moneys in Health Care Provider Incentive Fund, based on specified factors, for use in primary care provider loan repayment program[,] **and** Primary Health Care Loan Forgiveness Program [*and Scholars for a Healthy Oregon Initiative*].

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to health care provider incentive programs; creating new provisions; amending ORS 413.233
3 and 442.574; repealing ORS 413.127 and 442.573; and declaring an emergency.

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

5 **SECTION 1. The Health Care Provider Incentive Fund is established in the State Treas-**
6 **ury, separate and distinct from the General Fund. Interest earned by the Health Care Pro-**
7 **vider Incentive Fund shall be credited to the fund. Moneys in the fund are continuously**
8 **appropriated to the Oregon Department of Administrative Services for use by the Office of**
9 **Rural Health in carrying out section 3 of this 2015 Act.**

10 **SECTION 2. (1) On the effective date of this 2015 Act, all of the unexpended balances of**
11 **amounts authorized to be expended for the biennium beginning July 1, 2013, shall be trans-**
12 **ferred from the Primary Health Care Loan Forgiveness Program Fund established in ORS**
13 **442.573 and deposited in the Health Care Provider Incentive Fund established under section**
14 **1 of this 2015 Act.**

15 **(2) On the effective date of this 2015 Act, all of the unexpended balances of moneys that**
16 **were appropriated to the Primary Care Provider Loan Repayment Fund established in ORS**
17 **413.127:**

18 **(a) On or after January 1, 2015, shall be transferred to and deposited in the Health Care**
19 **Provider Incentive Fund established in section 1 of this 2015 Act.**

20 **(b) Prior to January 1, 2015, shall be transferred to and deposited in the Oregon Health**
21 **Authority Fund.**

22 **SECTION 3. (1) Based on recommendations from the advisory committee convened in**
23 **accordance with subsection (2) of this section, the Office of Rural Health shall distribute the**
24 **moneys in the Health Care Provider Incentive Fund established under section 1 of this 2015**

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 **Act to carry out the purposes of the programs described in ORS 413.233 and 442.574.**

2 **(2) The office shall convene an advisory committee that includes representatives from the**
3 **Oregon Center for Nursing and the Oregon Healthcare Workforce Institute to:**

4 **(a) Recommend the allocation of moneys in the Health Care Provider Incentive Fund**
5 **based on the following factors:**

6 **(A) The effectiveness and cost-efficiency of each program in recruiting or retaining li-**
7 **icensed or certified health care practitioners to provide primary care, including oral and**
8 **mental health care, in medically underserved areas and to medically underserved populations**
9 **in this state; and**

10 **(B) The capacity of each program to leverage other sources of funding;**

11 **(b) Evaluate and report to the office on the effectiveness and cost-efficiency of the tax**
12 **credits provided under ORS 315.613 and 315.616 in recruiting or retaining licensed or certified**
13 **health care practitioners to provide primary care, including oral and mental health care, in**
14 **medically underserved areas and to medically underserved populations in this state; and**

15 **(c) Study and evaluate the feasibility of, and the tax and legal implications of, creating**
16 **a retirement plan to offer to licensed or certified health care practitioners as an incentive**
17 **to provide primary care, including oral and mental health care, in medically underserved**
18 **areas and to medically underserved populations in this state.**

19 **SECTION 4.** ORS 413.233 is amended to read:

20 413.233. (1) There is created in the [*Oregon Health Authority*] **Office of Rural Health** the pri-
21 mary care provider loan repayment program for the purpose of assisting primary care providers who
22 have committed to serving medical assistance recipients in rural or medically underserved areas of
23 the state.

24 (2) The [*authority*] **office** shall prescribe by rule:

25 (a) Participant eligibility criteria, including the types of primary care providers who may par-
26 ticipate in the program;

27 (b) The terms and conditions of participation in the program, including the duration of the term
28 for which a participant makes a commitment under subsection (1) of this section;

29 (c) The types of loans for which payments may be provided;

30 (d) The priority for distribution of funds [*available under ORS 413.127*] **allocated to the pro-**
31 **gram from the Health Care Provider Incentive Fund established under section 1 of this 2015**
32 **Act** if the funds are insufficient to provide assistance to all of the applicants who are eligible to
33 participate in the program; and

34 (e) The financial penalties imposed on a participant who fails to complete the term of the com-
35 mitment.

36 [*(3) The authority may enter into contracts with one or more public or private entities to administer*
37 *the program or parts of the program.*]

38 **(3) The rules adopted by the office under subsection (2) of this section must include**
39 **naturopathic physicians licensed under ORS chapter 685 as a type of primary care provider**
40 **who may participate in the program.**

41 **SECTION 5.** ORS 442.574 is amended to read:

42 442.574. (1) As used in this section:

43 (a) "Participant" means a person who has been selected by the Office of Rural Health to receive
44 a loan under subsection (4) of this section.

45 (b) "Primary care practitioner" means a:

- 1 (A) Physician licensed under ORS chapter 677;
- 2 (B) Physician assistant licensed under ORS 677.505 to 677.525; [or]
- 3 (C) Nurse practitioner licensed under ORS 678.375; **or**
- 4 **(D) A naturopathic physician licensed under ORS chapter 685.**

5 (c) "Prospective primary care practitioner" means a person who is enrolled in a medical edu-
6 cation program that meets the educational requirements for licensure as a physician, physician as-
7 sistant, [or] nurse practitioner **or naturopathic physician.**

8 (d) "Service agreement" means the agreement executed by a prospective primary care practi-
9 tioner under subsection (3) of this section.

10 (2) There is created the Primary Health Care Loan Forgiveness Program, to be administered by
11 the office pursuant to rules adopted by the office.

12 (3) A prospective primary care practitioner who wishes to participate in the program shall
13 submit an application to the office in accordance with rules adopted by the office. To be eligible to
14 be a participant in the program, a prospective primary care practitioner must:

15 (a) Have completed the first year of the prospective primary care practitioner's medical educa-
16 tion;

17 (b) Be enrolled in a medical education program in Oregon that emphasizes training rural health
18 care practitioners and is approved by the office;

19 (c) Execute a service agreement stating that, immediately upon the prospective primary care
20 practitioner's completion of residency or training as established by the office by rule, the prospec-
21 tive primary care practitioner will practice as a primary care practitioner in a rural setting in this
22 state approved by the office for at least as many years as the number of years for which the prac-
23 titioner received loans from the Primary Health Care Loan Forgiveness Program; and

24 (d) Meet other requirements established by the office by rule.

25 (4) The office may select participants from among the prospective primary care practitioners
26 who submit applications as provided in subsection (3) of this section. The office shall give preference
27 to a prospective primary care practitioner who agrees to practice in a community that agrees to
28 contribute funds to the [*Primary Health Care Loan Forgiveness Program Fund established in ORS*
29 *442.573*] **Health Care Provider Incentive Fund established under section 1 of this 2015 Act.**

30 (5) The office shall provide an annual loan of up to \$35,000 to each participant to cover expenses
31 related to the participant's medical education, on terms established by the office by rule. The loan
32 must be evidenced by a written obligation but no additional security may be required.

33 (6) Repayment of loans provided under subsection (5) of this section is deferred while a partic-
34 ipant is in compliance with the service agreement.

35 (7) At the end of each full year that a participant complies with the service agreement, the office
36 shall forgive one annual loan provided to the participant under subsection (5) of this section.

37 (8)(a) A person receiving a loan under subsection (5) of this section who fails to complete the
38 residency or training as required by the office by rule shall repay the amount received to the Pri-
39 mary Health Care Loan Forgiveness Program plus 10 percent interest on the unpaid balance, ac-
40 crued from the date the loan was granted.

41 (b) A person receiving a loan under subsection (5) of this section who completes the residency
42 or training required by the office by rule but fails to fulfill the obligations required by the service
43 agreement shall repay the amount received to the Primary Health Care Loan Forgiveness Program
44 plus 10 percent interest on the unpaid balance, accrued from the date the loan was granted. Addi-
45 tionally, a penalty fee equal to 25 percent of the amount received shall be assessed against the

1 person. No interest accrues on the penalty. The office shall establish rules to allow waiver of all
2 or part of the penalty owed to the program due to circumstances that prevent the participant from
3 fulfilling the service obligation.

4 (9) Payments on loans provided under subsection (5) of this section shall be deposited in the
5 [*Primary Health Care Loan Forgiveness Program Fund established in ORS 442.573*] **Health Care**
6 **Provider Incentive Fund established under section 1 of this 2015 Act.**

7 (10) If a participant defaults on a loan provided under section (5) of this section:

8 (a) Any amounts due may be collected by the Collections Unit in the Department of Revenue
9 under ORS 293.250; or

10 (b) The Oregon Health and Science University may contract with a collections agency to collect
11 any amounts due.

12 (11) Any amounts collected under subsection (10) of this section **or received under subsection**
13 **(12) of this section** shall be deposited in the [*Primary Health Care Loan Forgiveness Program Fund*
14 *established in ORS 442.573*] **Health Care Provider Incentive Fund established under section 1**
15 **of this 2015 Act.**

16 (12) The office may accept funds from any public or private source for the purposes of carrying
17 out the provisions of this section.

18 **SECTION 6. ORS 413.127 and 442.573 are repealed.**

19 **SECTION 7. The Primary Care Provider Loan Repayment Fund and the Primary Health**
20 **Care Loan Forgiveness Program Fund are abolished.**

21 **SECTION 8. This 2015 Act being necessary for the immediate preservation of the public**
22 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
23 **on its passage.**

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