

A-Engrossed
Senate Bill 1585

Ordered by the Senate February 24
Including Senate Amendments dated February 24

Sponsored by Senator DEVLIN (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.

Increases fees to obtain nursing license by indorsement. Directs that moneys in Oregon Nursing Advancement Fund be remitted quarterly to nonprofit organization that supports advancement of nursing profession in Oregon.

Permits Department of Human Services to make payments to certain long term care facilities that purchase long term care bed capacity between October 1, 2013, and June 30, 2016. Allows department to adopt rules relating to purchase of long term care bed capacity. **Permits department to establish reimbursement rate for certain pediatric care services.**

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to state finance; creating new provisions; amending ORS 678.415 and 678.417 and section
3 24, chapter 736, Oregon Laws 2003; and declaring an emergency.

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

5 **SECTION 1.** ORS 678.415 is amended to read:

6 678.415. (1) The Oregon State Board of Nursing shall impose an additional \$9 fee for each ex-
7 amination fee, **each license by indorsement fee** and each license renewal fee charged under ORS
8 678.410 for a registered nurse or a licensed practical nurse for the purposes specified in subsection
9 (2) of this section.

10 (2) The additional fees imposed on examination fees, **license by indorsement fees** and license
11 renewals by subsection (1) of this section shall be credited to the Oregon Nursing Advancement
12 Fund established by ORS 678.417.

13 **SECTION 2.** ORS 678.417 is amended to read:

14 678.417. (1) The Oregon Nursing Advancement Fund is established separate and distinct from the
15 General Fund. Interest earned by the Oregon Nursing Advancement Fund shall be credited to the
16 fund. Moneys in the fund are continuously appropriated to the Oregon State Board of Nursing to
17 be used as specified in subsection (2) of this section.

18 (2) The principal amount accrued in the fund shall be remitted [*once per year*] **quarterly** on [*a*
19 *date*] **dates** established by rule of the Oregon State Board of Nursing to an Oregon nonprofit or-
20 ganization, **exempt from taxation under section 501 (c)(3) of the Internal Revenue Code**, that:

21 (a) Works to advance the profession of nursing in this state through research, leadership de-
22 velopment, educational support and advocacy for nursing;

23 (b) Conducts research studies on the nursing workforce in this state, including projected supply
24 and demand of nurses and workforce shortages in nursing education and practice;

25 (c) Distributes information free of charge about the nursing workforce in this state to residents

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 of this state; and

2 (d) Convenes nursing organizations to address issues and recommendations identified through
3 nursing workforce research.

4 **SECTION 3.** Section 24, chapter 736, Oregon Laws 2003, as amended by section 11, chapter 757,
5 Oregon Laws 2005, section 12, chapter 780, Oregon Laws 2007, and section 20, chapter 608, Oregon
6 Laws 2013, is amended to read:

7 **Sec. 24.** (1) The Long Term Care Facility Quality Assurance Fund is established in the State
8 Treasury, separate and distinct from the General Fund. Interest earned by the Long Term Care
9 Facility Quality Assurance Fund shall be credited to the fund.

10 (2) Amounts in the Long Term Care Facility Quality Assurance Fund are continuously appro-
11 priated to the Department of Human Services for the purposes of paying refunds due under section
12 20, chapter 736, Oregon Laws 2003, and funding long term care facilities, as defined in section 15,
13 chapter 736, Oregon Laws 2003, that are a part of the Oregon Medicaid reimbursement system.

14 (3) Funds in the Long Term Care Facility Quality Assurance Fund and the matching federal fi-
15 nancial participation under Title XIX of the Social Security Act may be used to fund Medicaid-
16 certified long term care facilities using only the reimbursement methodology described in
17 subsections (4) and (5) of this section to achieve a rate of reimbursement greater than the rate in
18 effect on June 30, 2003.

19 (4) The reimbursement methodology used to make additional payments to Medicaid-certified long
20 term care facilities includes but is not limited to:

21 (a) Rebasing on July 1 of each year;

22 (b) Continuing the use of the pediatric rate;

23 (c) Continuing the use of the complex medical needs additional payment; and

24 (d) Discontinuing the use of the relationship percentage, except when calculating the pediatric
25 rate in paragraph (b) of this subsection.

26 (5)(a) In addition to the reimbursement methodology described in subsection (4) of this section,
27 the department may:

28 **(A) Make additional payments of \$9.75 per resident who receives medical assistance to a long**
29 **term care facility that [purchased] submits to the department an acquisition plan to purchase**
30 **long term care bed capacity under [section 15 of this 2013 Act] section 15, chapter 608, Oregon**
31 **Laws 2013, on or after October 1, 2013, and on or before [December 31, 2015] June 30, 2016.** The
32 payments may be made for a period of four years from the date **when the department approves**
33 **an acquisition plan to [of] purchase long term care bed capacity under section 15, chapter 608,**
34 **Oregon Laws 2013.** The department may not make additional payments under this section until the
35 Medicaid-certified long term care facility is found by the department to meet quality standards
36 adopted by the department by rule.

37 **(B) Establish a separate pediatric subacute reimbursement rate for pediatric services**
38 **that are in excess of services customarily provided by pediatric nursing facilities.**

39 **(b) The department may adopt rules relating to the submission and approval of acquisi-**
40 **tion plans to purchase long term care bed capacity and the verification of bed capacity pur-**
41 **chases.**

42 (6)(a) The department shall reimburse costs using the methodology described in subsections (4)
43 and (5) of this section at a rate not lower than a percentile of allowable costs for the period for
44 which the reimbursement is made.

45 (b) For the period beginning July 1, 2013, and ending June 30, 2016, the department shall reim-

1 burse costs at a rate not lower than the 63rd percentile of rebased allowable costs for that period.

2 (c) For each three-month period beginning on or after July 1, 2016, in which the reduction in
3 bed capacity in Medicaid-certified long term care facilities is less than the goal established in [*sec-*
4 *tion 15 of this 2013 Act*] **section 15, chapter 608, Oregon Laws 2013**, the department shall reim-
5 burse costs at a rate not lower than the percentile of allowable costs according to the following
6 schedule:

7 (A) 62nd percentile for a reduction of 1,350 or more beds.

8 (B) 61st percentile for a reduction of 1,200 or more beds but less than 1,350 beds.

9 (C) 60th percentile for a reduction of 1,050 or more beds but less than 1,200 beds.

10 (D) 59th percentile for a reduction of 900 or more beds but less than 1,050 beds.

11 (E) 58th percentile for a reduction of 750 or more beds but less than 900 beds.

12 (F) 57th percentile for a reduction of 600 or more beds but less than 750 beds.

13 (G) 56th percentile for a reduction of 450 or more beds but less than 600 beds.

14 (H) 55th percentile for a reduction of 300 or more beds but less than 450 beds.

15 (I) 54th percentile for a reduction of 150 or more beds but less than 300 beds.

16 (J) 53rd percentile for a reduction of 1 to 49 beds.

17 (7) A reduction in the percentile of allowable costs reimbursed under subsection (6) of this sec-
18 tion is not subject to ORS 410.555.

19 **SECTION 4. The amendments to ORS 678.415 by section 1 of this 2016 Act apply to ex-**
20 **aminations administered, licenses by indorsement issued and licensure renewals on or after**
21 **the effective date of this 2016 Act.**

22 **SECTION 5. This 2016 Act being necessary for the immediate preservation of the public**
23 **peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect**
24 **on its passage.**

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