HOUSE AMENDMENTS TO B-ENGROSSED HOUSE BILL 2009

By JOINT COMMITTEE ON WAYS AND MEANS

June 3

On page 2 of the printed B-engrossed bill, line 2, after "105.580," insert "106.045,".

In line 4, delete "127.635,".

In line 14, delete "291.055,".

In line 15, after "320.308," insert "323.455, 323.625,".

In line 20, delete "411.095," and delete "414.047,".

In line 21, delete "414.055, 414.057,".

In line 23, after "414.329," insert "414.330, 414.332,".

In line 24, after "414.410," insert "414.420," and after "414.534," insert "414.536,".

In line 28, delete "417.345," and after "417.845," insert "418.704, 418.706,".

In line 35, after "427.104," insert "427.108,".

On page 3, line 10, after "433.273," insert "433.282, 433.283,".

In line 19, after "442.015," insert "442.120,".

In line 21, after "443.225," insert "443.315, 443.325, 443.327, 443.340, 443.345,".

In line 22, delete "443.715," and insert "443.705, 443.715, 443.720, 443.725, 443.730, 443.733, 443.735, 443.738, 443.740, 443.742, 443.745, 443.755, 443.760, 443.765, 443.767, 443.775, 443.780, 443.785, 443.790, 443.795,".

In line 23, delete "443.885, 443.886,".

On page 4, line 7, delete "731.988," and after "735.614," insert "735.625,".

In line 8, after "735.756," insert "743.018, 743.730, 743.737,".

In line 12, after "2003," insert "sections 5 and 7, chapter 99, Oregon Laws 2007,".

In line 13, after the first "2007," insert "section 27, chapter 697, Oregon Laws 2007,".

In line 14, delete "sections 15 and" and insert "section".

In line 23, delete "AUTHORITY" and insert "POLICY".

In line 27, delete "Authority" and insert "Policy".

In line 36, after "diem" insert "and travel".

In line 37, after the second "meetings" delete the rest of the line and lines 38 and 39 and insert "as provided in ORS 292.495.".

In line 41, delete "Authority" and insert "Policy".

On page 5, line 5, delete "Authority" and insert "Policy".

In line 28, delete "Authority" and insert "Policy".

In line 40, delete "Authority" and insert "Policy".

In line 45, delete "Authority" and insert "Policy".

On page 6, line 20, delete "Authority" and insert "Policy".

In line 24, delete "Authority" and insert "Policy".

In line 32, delete "Authority" and insert "Policy".

In line 45, delete "Authority" and insert "Policy".

On page 7, line 13, delete "Authority" and insert "Policy".

In line 25, delete "Authority" and insert "Policy".

In line 28, delete "Quality Care Institute and the" and delete "sections 17a" and insert "section 17".

In line 29, delete "and 17b".

In line 41, delete "Authority" and insert "Policy".

On page 8, line 10, delete "17b" and insert "17".

After line 33, insert:

"(p) Work with the Public Health Benefit Purchasers Committee, administrators of the medical assistance program and the Department of Corrections to identify uniform contracting standards for health benefit plans that achieve maximum quality and cost outcomes and align the contracting standards for all state programs to the greatest extent practicable.".

In line 34, delete "Authority" and insert "Policy".

On page 9, after line 4, insert:

"(5) The board shall consult with the Department of Consumer and Business Services in completing the tasks set forth in subsection (1)(j), (k) and (m)(A) and (C) of this section.".

In line 11, delete "Authority" and insert "Policy".

Delete lines 12 through 27 and insert:

"(b) Develop a plan for the Oregon Health Insurance Exchange in accordance with section 17 of this 2009 Act;

"(c) Administer the Oregon Prescription Drug Program;

"(d) Administer the Family Health Insurance Assistance Program;

"(e) Provide regular reports to the board with respect to the performance of health services contractors serving recipients of medical assistance, including reports of trends in health services and enrollee satisfaction;

"(f) Guide and support, with the authorization of the board, community-centered health initiatives designed to address critical risk factors, especially those that contribute to chronic disease;

"(g) Be the state Medicaid agency for the administration of funds from Titles XIX and XXI of the Social Security Act and administer medical assistance under ORS chapter 414;

"(h) In consultation with the Director of the Department of Consumer and Business Services, periodically review and recommend standards and methodologies to the Legislative Assembly for:".

In line 32, delete "(j)" and insert "(i)".

In line 37, delete "(k)" and insert "(j)".

In line 40, delete "(L)" and insert "(k)".

In line 41, delete "Insurance Division" and insert "Health Insurance Reform".

Delete lines 43 through 45.

On page 10, line 8, after "quality" insert "standards and".

On page 11, delete lines 1 through 13 and insert:

"**(Officers and Employees)**

"**SECTION 13. Subject to any applicable provisions of ORS chapter 240, the Director of the Oregon Health Authority shall appoint all subordinate officers and employees of the Oregon Health Authority, prescribe their duties and fix their compensation.**".

In line 37, after "package" delete the rest of the line and insert "approved by the Oregon Health Policy Board".

On page 12, delete lines 10 through 19.

In line 23, delete "17b" and insert "17".

On page 13, line 14, delete "Authority" and insert "Policy".

Delete lines 43 through 45.

On page 14, delete lines 1 through 6 and insert:

"(F) The responsibilities of the Oregon Health Fund Board established in section 5, chapter 697, Oregon Laws 2007.

"(b) The department shall retain all of its duties, functions and powers with respect to:

"(A) Services provided in long term care facilities, home-based and community-based care settings and residential facilities to individuals who have physical disabilities or developmental disabilities or who receive residential facility care for seniors; and

"(B) Non-medical services provided to individuals by the department.".

On page 15, after line 20, insert:

"**SECTION 23. Notwithstanding the transfer of duties, functions and powers by section 19 of this 2009 Act, the rules of the Department of Human Services, the Oregon Department of Administrative Services, the Department of Consumer and Business Services and the Office of Private Health Partnerships that relate to the duties, functions and powers transferred by section 19 of this 2009 Act continue in effect until superseded or repealed by the rules of the Oregon Health Authority. References in the rules of the Department of Human Services, the Oregon Department of Administrative Services, the Department of Consumer and Business Services and the Office of Private Health Partnerships or to an officer or employee of such entities are considered to be references to the Oregon Health Authority or employee of the Oregon Health Authority.**".

In line 24, delete "23" and insert "24".

In line 38, delete "23a" and insert "25".

In line 45, delete the first "Authority" and insert "Policy".

On page 16, line 5, delete "23b" and insert "26".

In line 8, delete "17b" and insert "17".

After line 10, insert:

"**PREMIUM RATE FILING**

"**SECTION 27. Sections 28 and 29 of this 2009 Act are added to and made a part of ORS chapter 743.**

"**SECTION 28. (1) When an insurer files a schedule or table of premium rates for individual, portability or small employer health insurance under ORS 743.018, the Director of the Department of Consumer and Business Services shall open a 30-day public comment period on the rate filing that begins on the date the insurer files the schedule or table of premium rates. The director shall post all comments to the website of the Department of Consumer and Business Services without delay.**

"(2) The director shall give written notice to an insurer approving or disapproving a rate filing or, with the written consent of the insurer, modifying a rate filing submitted under ORS 743.018 no later than 10 business days after the close of the public comment period. The

notice shall comply with the requirements of ORS 183.415.

"**SECTION 29. An insurer licensed by the Department of Consumer and Business Services shall include in any rate filing under ORS 743.018 with respect to individual and small employer health insurance policies a statement of administrative expenses in the form and manner prescribed by the department by rule. The statement must include, but is not limited to:**

"(1) A statement of administrative expenses on a per member per month basis; and

"(2) An explanation of the basis for any proposed premium rate increases or decreases.

"**SECTION 30. Sections 28 and 29 of this 2009 Act and the amendments to ORS 743.018 by section 31 of this 2009 Act apply to rate filings submitted to the Department of Consumer and Business Services on or after April 1, 2010.**

"**SECTION 31.** ORS 743.018 is amended to read:

"743.018. (1) Except for group life and health insurance, and except as provided in ORS 743.015, every insurer shall file with the Director of the Department of Consumer and Business Services all schedules and tables of premium rates for life and health insurance to be used on risks in this state, and shall file any amendments to or corrections of such schedules and tables. **Premium rates are subject to approval, disapproval or withdrawal of approval by the director as provided in ORS 742.003, 742.005 and 742.007.**

"(2) Except as provided in ORS 743.737 and 743.760 and subsection (3) of this section, a rate filing by a carrier for any of the following health benefit plans subject to ORS 743.730 to 743.773 shall be available for public inspection immediately upon submission of the filing to the director:

"(a) Health benefit plans for small employers.

"(b) Portability health benefit plans.

"(c) Individual health benefit plans.

"[*(3) The director, upon request by a carrier, may exempt from disclosure any part of the filing that the director determines to contain trade secrets and that would, if disclosed, harm competition. The part that the director determines to be exempt from disclosure shall be considered confidential for purposes of ORS 705.137. The director may not disclose a part of a filing subject to a carrier's request pending the director's determination under this subsection.*]

"**(3) The director may by rule:**

"(a) Specify all information a carrier must submit as part of a rate filing under this section; and

"(b) Identify the information submitted that will be exempt from disclosure under this section because the information constitutes a trade secret and would, if disclosed, harm competition.

"(4) The director, after conducting an actuarial review of the rate filing, may approve a proposed premium rate for a health benefit plan for small employers or for an individual health benefit plan if, in the director's discretion, the proposed rates are:

"(a) Actuarially sound;

"(b) Reasonable and not excessive, inadequate or unfairly discriminatory; and

"(c) Based upon reasonable administrative expenses.

"(5) In order to determine whether the proposed premium rates for a health benefit plan for small employers or for an individual health benefit plan are reasonable and not excessive, inadequate or unfairly discriminatory, the director may consider:

"(a) The insurer's financial position, including but not limited to profitability, surplus,

reserves and investment savings.

"(b) Historical and projected administrative costs and medical and hospital expenses.

"(c) Historical and projected loss ratio between the amounts spent on medical services and earned premiums.

"(d) Any anticipated change in the number of enrollees if the proposed premium rate is approved.

"(e) Changes to covered benefits or health benefit plan design.

"(f) Changes in the insurer's health care cost containment and quality improvement efforts since the insurer's last rate filing for the same category of health benefit plan.

"(g) Whether the proposed change in the premium rate is necessary to maintain the insurer's solvency or to maintain rate stability and prevent excessive rate increases in the future.

"(h) Any public comments received under section 28 of this 2009 Act pertaining to the standards set forth in subsection (4) of this section and this subsection.

"(6) With the written consent of the insurer, the director may modify a schedule or table of premium rates filed in accordance with subsection (1) of this section.

"(7) The requirements of this section do not supersede other provisions of law that require insurers, health care service contractors or multiple employer welfare arrangements providing health insurance to file schedules or tables of premium rates or proposed premium rates with the director or to seek the director's approval of rates or changes to rates.".

In line 11, delete "24" and insert "32".

On page 22, after line 22, insert:

"**SECTION 65a.** ORS 106.045 is amended to read:

"106.045. (1) In addition to any other fees provided by law, the county clerk shall collect a fee of $25 upon the application for a marriage license.

"(2) The county clerk shall regularly pay over to the [*Director of Human Services*] **Oregon Health Authority** all moneys collected under subsection (1) of this section to be credited to the Domestic Violence Fund pursuant to ORS 409.300.

"**SECTION 65b.** Section 5, chapter 99, Oregon Laws 2007, is amended to read:

"**Sec. 5.** (1) The [*Department of Human Services*] **Oregon Health Authority** shall prepare forms entitled:

"(a) 'Declaration of Domestic Partnership' meeting the requirements of section 6**, chapter 99, Oregon Laws 2007** [*of this 2007 Act*]; and

"(b) 'Certificate of Registered Domestic Partnership.'

"(2) The [*department*] **authority** shall distribute the forms to each county clerk. The [*department*] **authority** and each county clerk shall make the Declaration of Domestic Partnership forms available to the public.

"**SECTION 65c.** Section 7, chapter 99, Oregon Laws 2007, is amended to read:

"**Sec. 7.** (1) In addition to any other fees provided by law, the county clerk shall collect a fee of $25 for registering a Declaration of Domestic Partnership.

"(2) The county clerk shall regularly pay over to the [*Director of Human Services*] **Oregon Health Authority** all moneys collected under subsection (1) of this section to be credited to the Domestic Violence Fund pursuant to ORS 409.300.".

On page 34, delete lines 11 through 45.

On page 35, delete lines 1 and 2 and insert:

"**NOTE:** Section 86 was deleted by amendment. Subsequent sections were not renumbered.".

On page 69, line 40, delete "the" and insert "an" and before the period insert "campus".

On page 72, line 43, before the period insert "campuses".

On page 79, line 10, before the semicolon insert "campuses".

On page 98, line 19, delete "Oregon Health Plan member" and insert "Medicaid recipient".

On page 103, delete lines 31 through 40 and insert:

"(e) The Department of Consumer and Business Services;

"(f) The Oregon Health Authority;

"(g) Health care service contractors involved in genetic and health services research;

"(h) The biosciences industry;

"(i) The pharmaceutical industry;

"(j) Health care consumers;

"(k) Organizations advocating for privacy of medical information;

"(L) Public members of institutional review boards; and

"(m) Organizations or individuals promoting public education about genetic research and genetic privacy and public involvement in policymaking related to genetic research and genetic privacy.".

On page 116, line 19, restore "Policy" and delete "Authority".

On page 123, delete lines 25 through 45.

On page 124, delete lines 1 through 38 and insert:

"**NOTE:** Section 201 was deleted by amendment. Subsequent sections were not renumbered.".

On page 131, after line 19, insert:

"**SECTION 206a.** ORS 323.455 is amended to read:

"323.455. (1) All moneys received by the Department of Revenue from the tax imposed by ORS 323.030 (1) shall be paid over to the State Treasurer to be held in a suspense account established under ORS 293.445. After the payment of refunds, 89.65 percent shall be credited to the General Fund, 3.45 percent is appropriated to the cities of this state, 3.45 percent is appropriated to the counties of this state and 3.45 percent is continuously appropriated to the Department of Transportation for the purpose of financing and improving transportation services for elderly individuals and individuals with disabilities as provided in ORS 391.800 to 391.830.

"(2) The moneys so appropriated to cities and counties shall be paid on a monthly basis within 35 days after the end of the month for which a distribution is made. Each city shall receive such share of the money appropriated to all cities as its population, as determined under ORS 190.510 to 190.590 last preceding such apportionment, bears to the total population of the cities of the state, and each county shall receive such share of the money as its population, determined under ORS 190.510 to 190.590 last preceding such apportionment, bears to the total population of the state.

"(3) The moneys appropriated to the Department of Transportation under subsection (1) of this section shall be distributed and transferred to the Elderly and Disabled Special Transportation Fund established by ORS 391.800 at the same time as the cigarette tax moneys are distributed to cities and counties under this section.

"(4) Of the moneys credited to the General Fund under this section 51.92 percent shall be dedicated to funding the maintenance and expansion of the number of persons eligible for **the** medical assistance **program** under [*the Oregon Health Plan*] **ORS chapter 414**, or to funding the maintenance of the benefits available under the [*Oregon Health Plan*] **program**, or both, and 5.77 percent shall be credited to the Tobacco Use Reduction Account established under ORS 431.832.

"**SECTION 206b.** ORS 323.625 is amended to read:

"323.625. All moneys received by the Department of Revenue under ORS 323.500 to 323.645 shall be deposited in the State Treasury and credited to a suspense account established under ORS 293.445. After payment of refunds or credits arising from erroneous overpayments, the balance of the money shall be credited to the General Fund. Of the amount credited to the General Fund under this section 41.54 percent shall be dedicated to funding the maintenance and expansion of the number of persons eligible for **the** medical assistance **program** under [*the Oregon Health Plan*] **ORS chapter 414**, or to funding the maintenance of the benefits available under the [*Oregon Health Plan*] **program**, or both, and 4.62 percent shall be credited to the Tobacco Use Reduction Account established under ORS 431.832.".

On page 141, line 32, after "Authority" insert ", in conjunction with the Department of Human Services for facilities licensed by the department,".

On page 145, line 42, after "facilities" insert ", institutions" and restore "health and".

In line 43, after "services" insert "and long term care services".

On page 147, line 8, restore "430.630" and delete the boldfaced material.

On page 151, delete lines 21 through 30 and insert:

"(c) The Director of the Oregon Health Authority shall appoint three members including:

"(A) One member with responsibility for administering mental health programs;

"(B) One member with responsibility for administering medical assistance programs; and

"(C) One member with responsibility for administering public health programs.

"(d) The Director of Human Services shall appoint:

"(A) One member with responsibility for administering developmental disabilities programs; and

"(B) One member with responsibility for administering programs for seniors and persons with disabilities.".

On page 154, delete lines 28 through 45.

On page 155, delete lines 1 through 7 and insert:

"**NOTE:** Section 261 was deleted by amendment. Subsequent sections were not renumbered.".

On page 158, delete lines 36 through 45.

On page 159, delete lines 1 through 16 and insert:

"**SECTION 269.** ORS 414.042 is amended to read:

"414.042. [*(1) The need for and the amount of medical assistance to be made available for each eligible group of recipients of medical assistance shall be determined, in accordance with the rules of the Department of Human Services, taking into account:*]

"[*(a) The requirements and needs of the person, the spouse and other dependents;*]

"[*(b) The income, resources and maintenance available to the person but, except as provided in ORS 414.025 (2)(r), resources shall be disregarded for those eligible by reason of having income below the federal poverty level and who are eligible for medical assistance only because of the enactment of chapter 836, Oregon Laws 1989;*]

"[*(c) The responsibility of the spouse and, with respect to a person who is blind or is permanently and totally disabled or is under 21 years of age, the responsibility of the parents; and*]

"[*(d) The report of the Health Services Commission as funded by the Legislative Assembly and such other programs as the Legislative Assembly may authorize. However, medical assistance, including health services, shall not be provided to persons described in ORS 414.025 (2)(r) unless the Legislative Assembly specifically appropriates funds to provide such assistance.*]

"[*(2) Such amounts of income and resources may be disregarded as the department may prescribe by rules, except that the department may not require any needy person over 65 years of age, as a con-*

dition of entering or remaining in a hospital, nursing home or other congregate care facility, to sell any real property normally used as such person's home. Any rule of the department inconsistent with this section is to that extent invalid. The amounts to be disregarded shall be within the limits required or permitted by federal law, rules or orders applicable thereto.]

"[*(3) In the determination of the amount of medical assistance available to a medically needy person, all income and resources available to the person in excess of the amounts prescribed in ORS 414.038, within limits prescribed by the department, shall be applied first to costs of needed medical and remedial care and services not available under the medical assistance program and then to the costs of benefits under the medical assistance program.*]

"**(1) The Department of Human Services shall determine eligibility for medical assistance according to criteria prescribed by rule, taking into account:**

"(a) The requirements and needs of the applicant and of the spouse and dependents of the applicant;

"(b) The income, resources and maintenance available to the applicant; and

"(c) The responsibility of the spouse of the applicant and, with respect to an applicant who is blind or is permanently and totally disabled or is under 21 years of age, the responsibility of the parents.

"(2) Rules adopted by the department under subsection (1) of this section:

"(a) Shall disregard resources for those who are eligible for medical assistance only by reason of ORS 414.025 (2)(s), except for the resources described in ORS 414.025 (2)(s).

"(b) May disregard income and resources within the limits required or permitted by federal law, regulations or orders.

"(3) The department may not require any needy person over 65 years of age, as a condition of entering or remaining in a hospital, nursing home or other congregate care facility, to sell any real property normally used as such person's home. Any rule of the department inconsistent with this section is to that extent invalid.".

Delete lines 19 through 28 and insert:

"**NOTE:** Section 271 was deleted by amendment. Subsequent sections were not renumbered.".

Delete lines 41 through 45.

On page 160, delete lines 1 through 8 and insert:

"**NOTE:** Sections 274 and 275 were deleted by amendment. Subsequent sections were not renumbered.".

On page 165, line 11, delete the second "Authority" and insert "Policy".

On page 169, after line 7, insert:

"**SECTION 298a.** ORS 414.330 is amended to read:

"414.330. The Legislative Assembly finds that:

"(1) The cost of prescription drugs in the [*Oregon Health Plan*] **medical assistance program** is growing and will soon be unsustainable;

"(2) The benefit of prescription drugs when appropriately used decreases the need for other expensive treatments and improves the health of Oregonians; and

"(3) Providing the most effective drugs in the most cost-effective manner will benefit both patients and taxpayers.

"**SECTION 298b.** ORS 414.332 is amended to read:

"414.332. It is the policy of the State of Oregon that a Practitioner-Managed Prescription Drug Plan will ensure that:

"(1) Oregonians have access to the most effective prescription drugs appropriate for their clinical conditions;

"(2) Decisions concerning the clinical effectiveness of prescription drugs are made by licensed health practitioners, are informed by the latest peer-reviewed research and consider the health condition of a patient or characteristics of a patient, including the patient's gender, race or ethnicity; and

"(3) The cost of prescription drugs in the [*Oregon Health Plan*] **medical assistance program** is managed through market competition among pharmaceutical manufacturers by publicly considering, first, the effectiveness of a given drug and, second, its relative cost.".

In line 10, delete "Oregon Health Plan" and insert "medical assistance program".

In line 11, delete "Oregon Health Plan" and insert "medical assistance program".

In line 16, delete "Oregon Health Plan" and insert "medical assistance program".

On page 171, line 27, delete "Authority" and insert "Policy".

On page 172, line 20, delete "Authority" and insert "Policy".

On page 173, line 8, delete "Authority" and insert "Policy".

In line 10, delete "Authority" and insert "Policy".

In line 32, delete "Authority" and insert "Policy".

On page 174, line 1, delete "Authority" and insert "Policy".

In line 17, delete "Authority" and insert "Policy".

In line 23, delete the first "Authority" and insert "Policy".

After line 31, insert:

"**SECTION 309a.** ORS 414.420 is amended to read:

"414.420. (1) When a woman who is enrolled in [*the Oregon Health Plan*] **medical assistance** as a pregnant woman becomes an inmate residing in a public institution, the Department of Human Services shall suspend medical assistance [*under the plan*].

"(2) The department shall continue to determine the eligibility of the pregnant woman as categorically needy as defined in ORS 414.025.

"(3) Upon notification that a pregnant woman described under subsection (1) of this section is no longer an inmate residing in a public institution, the department shall reinstate medical assistance [*under the plan*] if the woman is otherwise eligible for medical assistance.".

On page 176, line 26, delete "Authority" and insert "Policy".

On page 177, line 33, delete "Authority" and insert "Policy".

On page 178, line 4, after "facilities" insert ", institutional".

In line 26, delete "Authority" and insert "Policy".

In line 32, delete "Authority" and insert "Policy".

On page 181, line 44, delete "Authority" and insert "Policy".

On page 182, line 12, delete the second "Authority" and insert "Policy".

In line 16, delete the second "Authority" and insert "Policy".

On page 184, line 27, restore the bracketed material and delete the boldfaced material.

On page 185, line 4, delete "Oregon Health Plan" and insert "medical assistance program".

On page 189, after line 39, insert:

"**SECTION 344b.** Section 27, chapter 697, Oregon Laws 2007 is amended to read:

"**Sec. 27.** Sections 1 to 13, chapter 697, Oregon Laws 2007, [*of this 2007 Act*] are repealed [*on January 2, 2010*].

"**SECTION 344c. The balance of moneys remaining in the Oregon Health Fund on the ef-**

fective date of this 2009 Act shall be transferred to the Oregon Health Authority Fund established in section 18 of this 2009 Act.".

On page 191, line 10, restore the bracketed material and delete the boldfaced material.

In line 11, delete the boldfaced material and before "or" insert "Oregon Health Authority".

In line 25, delete "under the Oregon Health Plan".

In line 32, delete "When" and insert "(1) If".

In line 34, restore the bracketed material and before "Oregon" insert "or the".

After line 44, insert:

"(2) The notification required by subsection (1) of this section shall be provided to:

"(a) The Oregon Health Authority by applicants for or recipients of assistance provided by the authority; and

"(b) The Department of Human Services for assistance provided by the department.".

On page 192, line 1, restore the bracketed material.

In line 2, restore the bracketed material and before "Oregon" insert "and the".

In line 23, restore the bracketed material.

In line 24, restore the bracketed material and before "Oregon" insert "or the".

In line 36, restore the bracketed material and before "authority" insert "or the".

In line 37, restore the bracketed material.

In line 38, restore the bracketed material and before "authority" insert "or the".

In line 39, restore the bracketed material and before "authority" insert "or the".

In line 44, delete "Oregon Health Authority" and insert a blank.

On page 193, line 2, delete "Oregon Health Authority" and insert a blank.

In line 7, restore the bracketed material and before "Oregon" insert "/".

In line 9, delete "the Oregon Health Authority" and insert a blank.

In line 15, delete "the Oregon Health Authority" and insert a blank.

In line 25, restore the bracketed material and before "Oregon" insert "or the".

In line 26, restore the bracketed material and before "authority" insert "or the".

In line 33, restore the bracketed material and before "Oregon" insert "or the".

In line 35, restore the bracketed material and before "authority" insert "or the".

In line 37, restore the bracketed material and before "authority" insert "or the".

In line 38, restore the bracketed material and before "authority" insert "or the".

In line 40, restore the bracketed material and before "authority" insert "or the".

On page 194, line 6, restore the bracketed material and before "Oregon" insert "or the".

In line 13, restore the bracketed material and before "authority" insert "or the".

In line 16, restore the bracketed material and before "authority" insert "or the".

In line 24, restore the bracketed material and before "Oregon" insert "or the".

In line 27, restore the bracketed material and before "authority" insert "or the".

In line 30, restore the bracketed material and before "Oregon" insert ", the".

In line 34, restore the bracketed material and before "authority" insert ", the".

Delete lines 40 through 45.

On page 195, delete lines 1 through 31 and insert:

"**NOTE:** Section 357 was deleted by amendment. Subsequent sections were not renumbered.".

On page 204, after line 33, insert:

"**SECTION 363a.** ORS 418.704 is amended to read:

"418.704. There is established a Youth Suicide Prevention Coordinator within the [*Department*

of Human Services] **Oregon Health Authority**. The coordinator shall:

"(1) Facilitate the development of a statewide strategic plan to address youth suicide;

"(2) Improve outreach to special populations of youth that are at risk for suicide; and

"(3) Provide technical assistance to state and local partners and coordinate interagency efforts to establish prevention and intervention strategies.

"**SECTION 363b.** ORS 418.706 is amended to read:

"418.706. The State Technical Assistance Team for child fatalities is established in the [*Department of Human Services*] **Oregon Health Authority**. The purpose of the State Technical Assistance Team is to provide staff support for the statewide interdisciplinary team, as described in ORS 418.748, and, upon request, to provide technical assistance to the child fatality review teams established under ORS 418.785. The duties of the State Technical Assistance Team shall include but are not limited to:

"(1) Designing, implementing and maintaining an information management system for child fatalities;

"(2) Providing training assistance and support for identified individuals on county multidisciplinary child abuse teams in accurate data collection and input;

"(3) Compiling and analyzing data on child fatalities;

"(4) Using data concerning child deaths to identify strategies for the prevention of child fatalities and serving as a resource center to promote the use of the strategies at the county level; and

"(5) Upon request of a county multidisciplinary child abuse team, providing technical assistance and consultation services on a variety of issues related to child fatalities including interagency agreements, team building, case review and prevention strategies.".

On page 208, line 4, after "Authority," delete the rest of the line.

In line 5, delete "Authority" and insert "the Department of Human Services".

In line 9, restore the bracketed material and delete the boldfaced material.

On page 250, after line 45, insert:

"**SECTION 437a.** ORS 427.108 is amended to read:

"427.108. The Department of Human Services shall establish fee schedules for services under ORS 427.104. All fees collected under this section shall be deposited in the [*Mental Health and Developmental Disability*] **Department of Human** Services Account.".

On page 281, line 22, restore "In addition to any other requirements that may be established by rule by the".

In line 24, after the bracketed material insert "Oregon Health Authority,".

In line 40, restore "and approved by the" and before the colon insert "Oregon Health Authority".

On page 282, line 7, restore "In addition to any other requirements that may be established by rule of the".

In line 8, before "Each" insert "Oregon Health Authority,".

On page 292, line 12, delete "or community developmental disabilities program services".

On page 293, lines 2 and 3, restore the bracketed material.

On page 300, line 2, delete "Authority" and insert "Policy".

In line 9, delete "Authority" and insert "Policy".

In line 12, delete "Authority" and insert "Policy".

On page 347, after line 25, insert:

"**SECTION 654a.** ORS 433.282 is amended to read:

"433.282. (1) The [*Department of Human Services*] **Oregon Health Authority** may require each post-secondary educational institution, except a community college or a career school, to require that each entering full-time student has current immunizations, as required for children attending school pursuant to rules adopted by the [*department*] **authority** under ORS 433.273, prior to the student's second quarter or semester of enrollment on an Oregon campus, using procedures developed by the institution.

"(2) Notwithstanding subsection (1) of this section, the [*department*] **authority** may require each post-secondary educational institution, except a community college or a career school, to document, using procedures developed by the institution, that each entering full-time student has current immunizations, as required for children attending school pursuant to rules adopted by the [*department*] **authority** under ORS 433.273, prior to the student attending classes if the student will be attending the institution pursuant to a nonimmigrant visa.

"(3) The [*department*] **authority** by rule shall establish immunization schedules and may further limit the students and programs to which the requirement applies.

"(4) The [*department*] **authority** may conduct validation surveys to ensure compliance with this section.

"**SECTION 654b.** ORS 433.283 is amended to read:

"433.283. (1) The [*Department of Human Services*] **Oregon Health Authority** may require each community college to require that students involved in clinical experiences in allied health programs, practicum experiences in education and child care programs and membership on intercollegiate sports teams have current immunizations for measles prior to each student's participation. The requirement shall apply only to those students born on or after January 1, 1957.

"(2) The State Board of Education by rule shall define clinical experiences in allied health programs, practicum experiences in education and child care programs and membership on intercollegiate sports teams at the community colleges. The [*Department of Human Services*] **Oregon Health Authority** by rule shall establish immunization schedules and may further limit the students and programs to which the requirement applies. Each community college shall develop procedures to implement and maintain this requirement.

"(3) The [*Department of Human Services*] **authority** may conduct validation surveys to [*insure*] **ensure** compliance with this section. Community colleges shall be required to keep immunization records only while the student is involved in the program.".

On page 387, line 44, delete "Oregon Health Plan" and insert "medical assistance program".

On page 388, line 4, after "Policy" delete the rest of the line.

In line 8, restore "(1)".

In line 13, delete "Oregon Health Plan" and insert "medical assistance program".

Restore lines 17 and 18.

In line 18, delete "Commission" and insert "Board".

On page 391, delete line 12 and insert:

"**SECTION 750.** ORS 442.120 is amended to read:

"442.120. In order to provide data essential for health planning programs:

"(1) The Office for Oregon Health Policy and Research may request, by July 1 of each year, each general hospital to file with the office ambulatory surgery and inpatient discharge abstract records covering all patients discharged during the preceding calendar year. The ambulatory surgery and inpatient discharge abstract record for each patient must include the following information, and may

include other information deemed necessary by the office for developing or evaluating statewide health policy:

"(a) Date of birth;

"(b) Sex;

"(c) Zip code;

"(d) Inpatient admission date or outpatient service date;

"(e) Inpatient discharge date;

"(f) Type of discharge;

"(g) Diagnostic related group or diagnosis;

"(h) Type of procedure performed;

"(i) Expected source of payment, if available;

"(j) Hospital identification number; and

"(k) Total hospital charges.

"(2) By July 1 of each year, the office may request from ambulatory surgical centers licensed under ORS 441.015 ambulatory surgery discharge abstract records covering all patients admitted during the preceding year. Ambulatory surgery discharge abstract records must include information similar to that requested from general hospitals under subsection (1) of this section.

"(3) In lieu of abstracting and compiling the records itself, the office may solicit the voluntary submission of such data from Oregon hospitals or other sources to enable it to carry out its responsibilities under this section. If such data are not available to the office on an annual and timely basis, the office may establish by rule a fee to be charged to each hospital.

"(4) Subject to prior approval of the Oregon [*Department of Administrative Services*] **Health Policy Board** and a report to the Emergency Board, if the Legislative Assembly is not in session, prior to adopting the fee, and within the budget authorized by the Legislative Assembly as the budget may be modified by the Emergency Board, the fee established under subsection (3) of this section may not exceed the cost of abstracting and compiling the records.

"(5) The office may specify by rule the form in which the records are to be submitted. If the form adopted by rule requires conversion from the form regularly used by a hospital, reasonable costs of such conversion shall be paid by the office.

"(6) Abstract records must include a patient identifier that allows for the statistical matching of records over time to permit public studies of issues related to clinical practices, health service utilization and health outcomes. Provision of such a patient identifier must not allow for identification of the individual patient.

"(7) In addition to the records required in subsection (1) of this section, the office may obtain abstract records for each patient that identify specific services, classified by International Classification of Disease Code, for special studies on the incidence of specific health problems or diagnostic practices. However, nothing in this subsection shall authorize the publication of specific data in a form that allows identification of individual patients or licensed health care professionals.

"(8) The office may provide by rule for the submission of records for enrollees in a health maintenance organization from a hospital associated with such an organization in a form the office determines appropriate to the office's needs for such data and the organization's record keeping and reporting systems for charges and services.".

On page 402, after line 43, insert:

"**SECTION 776a.** ORS 443.315 is amended to read:

"443.315. (1) A person may not operate or maintain an in-home care agency or purport to oper-

ate or maintain an in-home care agency without obtaining a license from the [*Department of Human Services*] **Oregon Health Authority**.

"(2) The [*department*] **authority** shall establish requirements and qualifications for licensure under this section by rule. The [*department*] **authority** shall issue a license to an applicant that has the necessary qualifications and meets all requirements established by rule, including the payment of required fees. An in-home care agency shall be required to maintain administrative and professional oversight to ensure the quality of services provided.

"(3) Application for a license required under subsection (1) of this section shall be made in the form and manner required by the [*department*] **authority** by rule and shall be accompanied by any required fees.

"(4) A license may be granted, or may be renewed annually, upon payment of a fee as follows:

"(a) For the initial licensure of an in-home care agency:

"(A) $1,500; and

"(B) An additional $750 for each subunit.

"(b) For renewal of a license:

"(A) $750; and

"(B) An additional $750 for each subunit.

"(c) For a change of ownership at a time other than the annual renewal date:

"(A) $350; and

"(B) An additional $350 for each subunit.

"(5) A license issued under this section is valid for one year. A license may be renewed by payment of the required renewal fee and by demonstration of compliance with requirements for renewal established by rule.

"(6) A license issued under this section is not transferable.

"(7) The [*department*] **authority** shall conduct an on-site inspection of each in-home care agency prior to services being rendered and once every three years thereafter as a requirement for licensing.

"**SECTION 776b.** ORS 443.325 is amended to read:

"443.325. The [*Department of Human Services*] **Oregon Health Authority** may impose a civil penalty in the manner provided in ORS 183.745 and deny, suspend or revoke the license of any in-home care agency licensed under ORS 443.315 for failure to comply with ORS 443.305 to 443.350 or with rules adopted thereunder. A failure to comply with ORS 443.305 to 443.350 includes, but is not limited to:

"(1) Failure to provide a written disclosure statement to the client or the client's representative prior to in-home care services being rendered;

"(2) Failure to provide the contracted in-home care services; or

"(3) Failure to correct deficiencies identified during [*a department*] **an** inspection **by the authority**.

"**SECTION 776c.** ORS 443.327 is amended to read:

"443.327. (1) Notwithstanding the existence and pursuit of any other remedy, the [*Department of Human Services*] **Oregon Health Authority** may, in the manner provided by law, maintain an action in the name of the state for injunction or other process against any person to restrain or prevent the establishment, conduct, management or operation of an in-home care agency without a license. The [*department*] **authority** may recover attorney fees and court costs for any such action.

"(2) If an in-home care agency is found to be operating without a valid license, the in-home care

agency must provide notice to its clients in a manner and period of time set forth by the [*department*] **authority**.

"**SECTION 776d.** ORS 443.340 is amended to read:

"443.340. The [*Department of Human Services*] **Oregon Health Authority** shall adopt administrative rules necessary for the implementation and administration of ORS 443.305 to 443.350. These rules shall include, but are not limited to, a requirement that an in-home care agency must conduct criminal background checks on all individuals employed by or contracting with the agency as in-home caregivers.

"**SECTION 776e.** ORS 443.345 is amended to read:

"443.345. All moneys received pursuant to ORS 443.315, 443.325 and 443.327 shall be deposited in the State Treasury and credited to an account designated by the [*Department of Human Services*] **Oregon Health Authority**. Such moneys are continuously appropriated to the [*department*] **authority** for the administration of ORS 443.305 to 443.350.".

On page 405, line 15, delete the boldfaced material and insert "licensing agency".

In line 16, delete "Authority".

On page 408, delete lines 14 through 23 and insert:

"**SECTION 791.** ORS 443.705 is amended to read:

"443.705. As used in ORS 443.705 to 443.825:

"(1) 'Adult foster home' means any family home or facility in which residential care is provided in a homelike environment for five or fewer adults who are not related to the provider by blood or marriage.

"[*(2) 'Department' means the Department of Human Services.*]

"[*(3) 'Director' means the Director of Human Services.*]

"[*(4)*] **(2)** 'Licensed adult foster home' means a home which has been investigated and approved by the [*department*] **licensing agency**. This includes an on-site inspection of the facility.

"**(3) 'Licensing agency' means:**

"(a) The Department of Human Services for adult foster homes licensed by the department.

"(b) The Oregon Health Authority for adult foster homes licensed by the authority.

"[*(5)*] **(4)** 'Provider' means any person operating an adult foster home and includes a resident manager. 'Provider' does not include the owner or lessor of the building in which the adult foster home is located or the owner or lessor of the land on which the adult foster home is situated unless the owner or lessor is also the operator of the adult foster home.

"[*(6)*] **(5)** 'Residential care' means the provision of room and board and services that assist the resident in activities of daily living, such as assistance with bathing, dressing, grooming, eating, medication management, money management or recreation.

"[*(7)*] **(6)** 'Substitute caregiver' means any person who provides care and services in an adult foster home under the jurisdiction of the [*department*] **licensing agency** in the absence of the provider or resident manager.

"**SECTION 791a.** ORS 443.715 is amended to read:

"443.715. For purposes of ORS 443.705 to 443.825, 'adult foster home' does not include:

"(1) Any house, institution, hotel, or other similar place that supplies board and room only, or room only, or board only, if no resident thereof requires any element of care.

"(2) Any specialized living situation for persons with physical disabilities where the [*Department of Human Services*] **licensing agency** provides payment for personal care services other than to an

adult foster home provider.

"(3) Any residential facility, as defined in ORS 443.400, licensed and funded by the [*department*] **licensing agency**.

"[*(4) Any residential treatment home, as defined in ORS 443.400, licensed and funded by the department.*]

"**SECTION 791b.** ORS 443.720 is amended to read:

"443.720. (1) The Legislative Assembly finds that:

"(a) Adult foster homes provide needed care and services to thousands of Oregonians who are elderly or have disabilities and who might otherwise be institutionalized;

"(b) The protection of the health, safety and well-being of the residents of adult foster homes is an important function of the [*Department of Human Services*] **licensing agency**; and

"(c) Consistent interpretation, application and enforcement of regulatory standards is necessary and desirable for the protection of adult foster home residents.

"(2) It is legislative intent that:

"(a) The [*department*] **licensing agency** provide training and guidelines for employees assigned to licensing and enforcement to encourage consistency; and

"(b) The [*department*] **licensing agency** take vigorous action to ensure that inspections and investigations are carried out as required by law.

"**SECTION 791c.** ORS 443.725 is amended to read:

"443.725. (1) Every provider of adult foster care must be licensed with the [*Department of Human Services*] **licensing agency** before opening or operating an adult foster home caring for adult residents.

"(2) Except as provided in subsection (4) of this section, a provider must live in the home that is to be licensed or hire a resident manager to live in the home.

"(3) Except as provided in subsection (4) of this section, there must be a provider or substitute caregiver on duty 24 hours per day in an adult foster home under the jurisdiction of the [*department*] **licensing agency**.

"(4) The [*department*] **licensing agency** shall adopt rules establishing standards for granting exceptions to the requirements of subsections (2) and (3) of this section. The standards must be designed to safeguard residents' health and safety and residents' uninterrupted receipt of services.

"**SECTION 791d.** ORS 443.730 is amended to read:

"443.730. (1) The provider shall furnish the names, addresses and telephone numbers of the substitute caregivers employed or used by the provider to the [*Department of Human Services*] **licensing agency** upon the request of the [*department*] **agency**.

"(2) The [*department*] **licensing agency** shall require the provider to furnish information describing the planned operation of the adult foster home, including the use of substitute caregivers and other staff, as part of the license application.

"(3) The provider shall not allow a substitute caregiver or other caregiver to provide care to a resident unless the following standards are met and documented:

"(a) The [*department*] **licensing agency** has completed a criminal records check for the State of Oregon and has completed or initiated a national criminal records check, if appropriate under ORS 443.735 (3), for the person. The [*department*] **licensing agency** shall adopt rules to provide for the expedited completion of a criminal records check for the State of Oregon when requested by a licensed provider because of an immediate staffing need.

"(b) The substitute caregiver has successfully completed the training required by the

[*department*] **licensing agency**.

"(c) The caregiver is able to understand and communicate in oral and written English.

"(d) The provider has oriented the caregiver to the residents in the adult foster home, their care needs and the physical characteristics of the home.

"(e) The provider has trained the caregiver to meet the routine and emergency needs of the residents.

"(4) The [*department*] **licensing agency** shall establish educational requirements for substitute caregivers and other caregivers designed to impart the practical knowledge and skills necessary to maintain the health, safety and welfare of residents. The training shall include a test established by the [*department*] **licensing agency** to be completed by the caregiver. The test shall be completed by the caregiver without the help of any other person.

"**SECTION 791e.** ORS 443.733 is amended to read:

"443.733. (1) As used in this section, 'adult foster care home provider' means a person who operates an adult foster home in the provider's home and who receives fees or payments from the state for providing adult foster care home services. 'Adult foster care home provider' does not include a person:

"(a) Who is a resident manager of an adult foster home who does not provide adult foster care home services in the resident manager's own home or who does not have a controlling interest in, or is not an officer or partner in, the entity that is the provider of adult foster care home services;

"(b) Who is not a natural person; or

"(c) Whose participation in collective bargaining is determined by the [*Department of Human Services*] **licensing agency** to be inconsistent with this section or in violation of state or federal law.

"(2) For purposes of collective bargaining under ORS 243.650 to 243.782, the State of Oregon is the public employer of record of adult foster care home providers.

"(3) Notwithstanding ORS 243.650 (19), adult foster care home providers are considered to be public employees governed by ORS 243.650 to 243.782. Adult foster care home providers have the right to form, join and participate in the activities of labor organizations of their own choosing for the purposes of representation and collective bargaining on matters concerning labor relations. These rights shall be exercised in accordance with the rights granted to public employees, with mediation and interest arbitration under ORS 243.742 as the method of concluding the collective bargaining process. Adult foster care home providers may not strike.

"(4) Notwithstanding subsections (2) and (3) of this section, adult foster care home providers are not for any other purpose employees of the State of Oregon or any other public body.

"(5) The Oregon Department of Administrative Services shall represent the State of Oregon in collective bargaining negotiations with the certified or recognized exclusive representative of an appropriate bargaining unit of adult foster care home providers. The Oregon Department of Administrative Services is authorized to agree to terms and conditions of collective bargaining agreements on behalf of the State of Oregon.

"(6) Notwithstanding ORS 243.650 (1), an appropriate bargaining unit for adult foster care home providers is any bargaining unit recognized by the Governor in an executive order issued prior to January 1, 2008.

"(7) This section does not modify any right of an adult receiving foster care.

"**SECTION 791f.** ORS 443.735 is amended to read:

"443.735. (1) Applications for a license to maintain and operate an adult foster home shall be

made on forms provided by the [*Department of Human Services*] **licensing agency**. Each application shall be accompanied by a fee of $20 per bed requested for licensing.

"(2) Upon receipt of an application and fee, the [*department*] **licensing agency** shall conduct an investigation.

"(3) The [*department*] **licensing agency** shall not issue an initial license unless:

"(a) The applicant and adult foster home are in compliance with ORS 443.705 to 443.825 and the rules of the [*department*] **licensing agency**;

"(b) The [*department*] **licensing agency** has completed an inspection of the adult foster home;

"(c) The [*department*] **licensing agency** has completed a criminal records check under ORS 181.534 on the applicant and any person, other than a resident, 16 years of age or older who will be residing in the adult foster home. The criminal records check shall be conducted in accordance with rules adopted under ORS 181.534;

"(d) The [*department*] **licensing agency** has checked the record of sanctions available, including the list of nursing assistants who have been found responsible for abuse and whose names have been added to the registry under ORS 441.678; and

"(e) The applicant has demonstrated to the [*department*] **licensing agency** the financial ability and resources necessary to operate the adult foster home. The [*department*] **licensing agency** shall adopt rules as the [*department*] **agency** deems appropriate that establish the financial standards an applicant must meet to qualify for issuance of a license and that protect financial information from public disclosure. The demonstration of financial ability under this paragraph shall include, but need not be limited to, providing the [*department*] **licensing agency** with a list of any unsatisfied judgments, pending litigation and unpaid taxes and notifying the [*department*] **agency** regarding whether the applicant is in bankruptcy. If the applicant is unable to demonstrate the financial ability and resources required by this paragraph, the [*department*] **licensing agency** may require the applicant to furnish a financial guarantee as a condition of initial licensure.

"(4) The [*department*] **licensing agency** may not renew a license under this section unless:

"(a) The applicant and the adult foster home are in compliance with ORS 443.705 to 443.825 and the rules of the [*department*] **licensing agency**;

"(b) The [*department*] **licensing agency** has completed an inspection of the adult foster home;

"(c) The [*department*] **licensing agency** has completed a criminal records check under ORS 181.534 on the applicant and any person, other than a resident, 16 years of age or older who will be residing in the adult foster home. The criminal records check under this paragraph shall be conducted in accordance with rules adopted under ORS 181.534; and

"(d) The [*department*] **licensing agency** has checked the record of sanctions available, including the list of nursing assistants who have been found responsible for abuse and whose names have been added to the registry under ORS 441.678.

"(5)(a) In seeking an initial license and renewal of a license when an adult foster home has been licensed for less than 24 months, the burden of proof shall be upon the provider and the adult foster home to establish compliance with ORS 443.705 to 443.825 and the rules of the [*department*] **licensing agency**.

"(b) In proceedings for renewal of a license when an adult foster home has been licensed for at least 24 continuous months, the burden of proof shall be upon the [*department*] **licensing agency** to establish noncompliance with ORS 443.705 to 443.825 and the rules of the [*department*] **agency**.

"(6)(a) Persons who have been convicted of one or more crimes that, as determined by rules of the [*department*] **licensing agency**, are substantially related to the qualifications, functions or duties

of a provider, resident manager, substitute caregiver or other household member of an adult foster home shall be prohibited from operating, working in or residing in an adult foster home.

"(b) The [*department*] **licensing agency** shall adopt rules that distinguish the criminal convictions and types of abuse that permanently prohibit a person from operating, working in or living in an adult foster home from the convictions and types of abuse that do not permanently prohibit the person from operating, working in or living in an adult foster home.

"(c) A provider may not hire, retain in employment or allow to live in an adult foster home, other than as a resident, any person who the provider knows has been convicted of a disqualifying crime or has been found responsible for a disqualifying type of abuse.

"(7) A license under ORS 443.725 is effective for one year from the date of issue unless sooner revoked. Each license shall state the name of the resident manager of the adult foster home, the names of all providers who own the adult foster home, the address of the premises to which the license applies, the maximum number of residents and the classification of the home. If, during the period covered by the license, a resident manager changes, the provider must within 15 days request modification of the license. The request must be accompanied by a fee of $10.

"(8) No license under ORS 443.725 is transferable or applicable to any location, persons operating the adult foster home or the person owning the adult foster home other than that indicated on the application for licensing.

"(9) The [*department*] **licensing agency** shall not issue a license to operate an additional adult foster home to a provider unless the provider has demonstrated the qualifications and capacity to operate the provider's existing licensed home or homes and has demonstrated the ability to provide care to the residents of those homes that is adequate and substantially free from abuse and neglect.

"(10) All moneys collected under ORS 443.725 to 443.780 shall be deposited in a special account in the General Fund, and are appropriated continuously for payment of expenses incurred by the [*Department of Human Services*] **licensing agency**.

"(11) Notwithstanding any other provision of this section or ORS 443.725 or 443.738, the [*department*] **licensing agency** may issue a 60-day provisional license to a qualified person if the [*department*] **agency** determines that an emergency situation exists after being notified that the licensed provider of an adult foster home is no longer overseeing operation of the adult foster home.

"**SECTION 791g.** ORS 443.738 is amended to read:

"443.738. (1) Except as provided in subsection (3) of this section, all providers, resident managers and substitute caregivers for adult foster homes shall satisfactorily meet all educational requirements established by the [*Department of Human Services*] **licensing agency**. After consultation with representatives of providers, educators, residents' advocates and the Long Term Care Ombudsman, the [*department*] **licensing agency** shall adopt by rule standards governing the educational requirements. The rules shall require that a person may not provide care to any resident prior to acquiring education or supervised training designed to impart the basic knowledge and skills necessary to maintain the health, safety and welfare of the resident. Each provider shall document compliance with the educational requirements for persons subject to the requirements.

"(2) The rules required under subsection (1) of this section shall include but need not be limited to the following:

"(a) A requirement that, before being licensed, a provider successfully completes training that satisfies a defined curriculum, including demonstrations and practice in physical caregiving, screening for care and service needs, appropriate behavior towards residents with physical, cognitive and mental disabilities and issues related to architectural accessibility;

"(b) A requirement that a provider pass a test before being licensed or becoming a resident manager. The test shall evaluate the ability to understand and respond appropriately to emergency situations, changes in medical conditions, physicians' orders and professional instructions, nutritional needs, residents' preferences and conflicts; and

"(c) A requirement that, after being licensed, a provider or resident manager successfully completes continuing education as described in ORS 443.742.

"(3) After consultation with representatives of providers, educators, residents' advocates and the Long Term Care Ombudsman, the [*department*] **licensing agency** may adopt by rule exceptions to the training requirements of subsections (1) and (2) of this section for persons who are appropriately licensed medical care professionals in Oregon or who possess sufficient education, training or experience to warrant an exception. The [*department*] **licensing agency** may not make any exceptions to the testing requirements.

"(4) The [*department*] **licensing agency** may permit a person who has not completed the training or passed the test required in subsection (2)(a) and (b) of this section to act as a resident manager until the training and testing are completed or for 60 days, whichever is shorter, if the [*department*] **licensing agency** determines that an unexpected and urgent staffing need exists. The licensed provider must notify the [*department*] **licensing agency** of the situation and demonstrate that the provider is unable to find a qualified resident manager, that the person has met the requirements for a substitute caregiver for the adult foster home and that the provider will provide adequate supervision.

"(5) Providers shall serve three nutritionally balanced meals to residents each day. A menu for the meals for the coming week shall be prepared and posted weekly.

"(6) Providers shall make available at least six hours of activities each week which are of interest to the residents, not including television or movies. The [*department*] **licensing agency** shall make information about resources for activities available to providers upon request. Providers or substitute caregivers shall be directly involved with residents on a daily basis.

"(7) Providers shall give at least 30 days' written notice to the residents, and to the legal representative, guardian or conservator of any resident, before selling, leasing or transferring the adult foster home business or the real property on which the adult foster home is located. Providers shall inform real estate licensees, prospective buyers, lessees and transferees in all written communications that the license to operate an adult foster home is not transferable and shall refer them to the [*department*] **licensing agency** for information about licensing.

"(8) If a resident dies or leaves an adult foster home for medical reasons and indicates in writing the intent to not return, the provider may not charge the resident for more than 15 days or the time specified in the provider contract, whichever is less, after the resident has left the adult foster home. The provider has an affirmative duty to take reasonable actions to mitigate the damages by accepting a new resident. However, if a resident dies or leaves an adult foster home due to neglect or abuse by the provider or due to conditions of imminent danger to life, health or safety, the provider may not charge the resident beyond the resident's last day in the home. The provider shall refund any advance payments within 30 days after the resident dies or leaves the adult foster home.

"(9) Chemical and physical restraints may be used only after considering all other alternatives and only when required to treat a resident's medical symptoms or to maximize a resident's physical functioning. Restraints may not be used for discipline of a resident or for the convenience of the adult foster home. Restraints may be used only as follows:

"(a) Psychoactive medications may be used only pursuant to a prescription that specifies the

circumstances, dosage and duration of use.

"(b) Physical restraints may be used only pursuant to a qualified practitioner's order that specifies the type, circumstances and duration of use in accordance with rules adopted by the [*department*] **licensing agency**. The rules adopted by the [*department*] **licensing agency** relating to physical restraints shall include standards for use and training.

"(10) If the physical characteristics of the adult foster home do not encourage contact between caregivers and residents and among residents, the provider shall demonstrate how regular positive contact will occur. Providers may not place residents who are unable to walk without assistance in a basement, split-level, second story or other area that does not have an exit at ground level. Nonambulatory residents shall be given first floor rooms.

"(11)(a) The provider may not transfer or discharge a resident from an adult foster home unless the transfer or discharge is necessary for medical reasons, for the welfare of the resident or for the welfare of other residents, or due to nonpayment. In such cases, the provider shall give the resident written notice as soon as possible under the circumstances.

"(b) The provider shall give the resident and the resident's legal representative, guardian or conservator written notice at least 30 days prior to the proposed transfer or discharge, except in a medical emergency including but not limited to a resident's experiencing an increase in level of care needs or engaging in behavior that poses an imminent danger to self or others. In such cases, the provider shall give the resident written notice as soon as possible under the circumstances.

"(c) The resident has the right to an administrative hearing prior to an involuntary transfer or discharge. If the resident is being transferred or discharged for a medical emergency, or to protect the welfare of the resident or other residents, as defined by rule, the hearing must be held within seven days of the transfer or discharge. The provider shall hold a space available for the resident pending receipt of an administrative order. ORS 441.605 (4) and the rules thereunder governing transfer notices and hearings for residents of long term care facilities shall apply to adult foster homes.

"(12) The provider may not include any illegal or unenforceable provision in a contract with a resident and may not ask or require a resident to waive any of the resident's rights.

"(13) Any lessor of a building in which an adult foster home is located may not interfere with the admission, discharge or transfer of any resident in the adult foster home unless the lessor is a provider or coprovider on the license.

"**SECTION 791h.** ORS 443.740 is amended to read:

"443.740. (1) The [*Department of Human Services*] **licensing agency** shall maintain current information on all licensed adult foster homes and shall make that information available to prospective residents and other interested members of the public at local [*department*] offices or area agencies on aging licensing offices throughout the state.

"(2) The information shall include:

"(a) The location of the adult foster home;

"(b) A brief description of the physical characteristics of the home;

"(c) The name and mailing address of the provider;

"(d) The license classification of the home and the date the provider was first licensed to operate that home;

"(e) The date of the last inspection, the name and telephone number of the office that performed the inspection and a summary of the findings;

"(f) Copies of all complaint investigations involving the home, together with the findings of the

[*department*] **licensing agency**, the actions taken by the [*department*] **agency** and the outcome of the complaint investigation;

"(g) An explanation of the terms used in the investigation report;

"(h) Any license conditions, suspensions, denials, revocations, civil penalties, exceptions or other actions taken by the [*department*] **licensing agency** involving the home; and

"(i) Whether care is provided primarily by the licensed provider, a resident manager or other arrangement.

"(3) Any list of adult foster homes maintained or distributed by the [*department*] **licensing agency** or a local licensing office shall include notification to the reader of the availability of public records concerning the homes.

"**SECTION 791i.** ORS 443.742 is amended to read:

"443.742. (1) The [*Department of Human Services*] **licensing agency** shall require all providers and resident managers to complete annually 12 hours of continuing education approved by the [*department*] **agency**, related to:

"(a) Care of the elderly and persons with disabilities; and

"(b) Business operations of adult foster homes.

"(2) Providers and resident managers may not fulfill the continuing education requirements described in subsection (1) of this section with more than four hours of continuing education related to the business operations of adult foster homes.

"(3) The [*department*] **licensing agency** may, by rule, establish continuing education requirements for caregivers who are not providers.

"**SECTION 791j.** ORS 443.745 is amended to read:

"443.745. (1) A license may be denied, suspended, revoked or have conditions attached upon a finding by the [*Department of Human Services*] **licensing agency** of any of the following:

"(a) There exists a threat to the health, safety or welfare of any resident.

"(b) There is reliable evidence of abuse, neglect or exploitation of any resident.

"(c) The facility is not operated in compliance with ORS 443.705 to 443.825 or the rules adopted thereunder.

"(d) Such other circumstances as may be established by the [*department*] **licensing agency** by rule.

"(2) Conditions attached to a license shall be effective upon order of the director of [*Human Services*] **the licensing agency**.

"(3) Suspension or revocation of a license authorized by this section for any reason other than abuse, neglect or exploitation of the resident shall be preceded by a hearing under ORS chapter 183 if requested by the provider.

"(4) If the license is suspended or revoked for the reason of abuse, neglect or exploitation of a resident, the provider may request a review in writing within 10 days after notice of the suspension or revocation. If a request is made, the director shall review all material relating to the allegation of abuse, neglect or exploitation and to the suspension or revocation within 10 days of the request. The director shall determine, based on review of the material, whether or not to sustain the decision to suspend or revoke. If the director determines not to sustain the decision, the license shall be restored immediately. The decision of the director is subject to judicial review as a contested case under ORS chapter 183.

"(5) In the event the license to maintain an adult foster home is ordered suspended or revoked, the [*department*] **licensing agency** may withhold service payments until the defective situation is

corrected. For protection of residents, the [*department*] **licensing agency** may arrange for them to move.

"(6) A provider whose license has been revoked or whose application has been denied shall not be permitted to make a new application for one year from the date the revocation or denial is final, or for a longer period specified in the order revoking or denying the license.

"(7) The [*department*] **licensing agency** shall deny the application or revoke the license of any person who falsely represents that the person has not been convicted of a crime.

"**SECTION 791k.** ORS 443.755 is amended to read:

"443.755. (1) The [*Department of Human Services*] **licensing agency** staff shall be permitted access to enter and inspect all licensed adult foster homes. The [*department*] **licensing agency** shall be permitted access to enter and inspect any unlicensed adult foster home upon the receipt of an oral or written complaint, or in case the [*department*] **agency** itself has cause to believe that an adult foster home is operating without a license or there exists a threat to the health, safety or welfare of any resident. The [*department*] **licensing agency** staff shall be permitted access to the residents of adult foster homes in order to interview residents privately and to inspect residents' records.

"(2) The state or local fire inspectors shall be permitted access to enter and inspect adult foster homes regarding fire safety upon request of the [*department*] **licensing agency**.

"(3)(a) The [*Department of Human Services*] **licensing agency** shall provide to each licensed adult foster home in the state in writing in clear concise language readily comprehensible by the average person a copy of the inspection report of the most recent inspection of that home conducted by the [*department*] **agency**.

"(b) The provider shall post the inspection report in the entry or equally prominent place and shall, upon request, provide a copy of the information to each resident of, or person applying for admission to, the home, or the legal representative, guardian or conservator of the resident or applicant.

"**SECTION 791L.** ORS 443.760 is amended to read:

"443.760. (1) Adult foster homes that are certified as residential homes as defined in ORS 197.660 shall meet all state and local building, sanitation, utility and fire code requirements applicable to single family dwellings. However, by rule, the [*Department of Human Services*] **licensing agency** may adopt more stringent standards upon a finding that there is a significant health or safety threat to residents that necessitates a standard not imposed on other single family dwellings.

"(2) In adopting more stringent standards, the [*department*] **licensing agency** shall consult with the Department of Consumer and Business Services and the office of the State Fire Marshal to insure adequate evacuation of residents.

"(3) As used in this section, 'adequate evacuation' means the ability of a provider to evacuate all residents from the dwelling within three minutes.

"(4) If a licensed provider rents or leases the premises where the adult foster home is located, the lessor shall charge a flat rate for the lease or rental.

"**SECTION 791m.** ORS 443.765 is amended to read:

"443.765. (1) Complaints against adult foster homes may be filed with the [*Department of Human Services*] **licensing agency** by any person, whether or not a resident of the home. The [*department*] **licensing agency** shall investigate complaints regarding adult foster homes and shall adopt by rule standards governing investigations pursuant to this section.

"(2) The [*department*] **licensing agency** shall prepare a notice which must be posted in a con-

spicuous place in each adult foster home stating the telephone number of the [*department*] **agency** and the procedure for making complaints.

"(3) The [*department*] **licensing agency** shall maintain a file of all complaints and the action taken on the complaint, indexed by the name of the owner or operator. When the [*department*] **licensing agency** concludes the investigation of a complaint, the [*department*] **agency** shall clearly designate the outcome of the complaint investigation in the complaint file. The filed complaint forms shall protect the privacy of the complainant, the resident and the witnesses.

"(4) Any person has a right to inspect and photocopy the complaint files maintained by the [*department*] **licensing agency**.

"(5)(a) The owner or operator of an adult foster home may not prohibit, discourage or use intimidation against any person to prevent the filing of a complaint with the [*department*] **licensing agency**.

"(b) If a resident, or a person acting on the resident's behalf, files a complaint with the [*department*] **licensing agency**, the owner or operator of an adult foster home may not retaliate against the resident by:

"(A) Increasing charges;

"(B) Decreasing services, rights or privileges;

"(C) Threatening to increase charges or decrease services, rights or privileges;

"(D) Taking or threatening to take any action to coerce or compel the resident to leave the facility; or

"(E) Abusing or threatening to harass or abuse a resident in any manner.

"(c) The owner or operator of an adult foster home may not retaliate against any person who files a complaint or any witness or employee of a facility interviewed about the complaint, including but not limited to retaliation by restriction of otherwise lawful access to the adult foster home or to any resident thereof, or, if an employee, to dismissal or harassment.

"(6) The provider shall give all residents, upon admission, a notice of the monthly rates and the house rules.

"(7) Anyone participating in good faith in the filing of a complaint pursuant to this section is immune from any liability, civil or criminal, that might otherwise be incurred or imposed with respect to the filing or substance of the complaint. Any such participant shall have the same immunity with respect to participating in any judicial proceeding resulting from the complaint. A person does not act in good faith for the purposes of this subsection if the substance of the complaint is false and:

"(a) The person knows that the substance of the complaint is false; or

"(b) The person makes the complaint with the intent to harm the owner or operator of the adult foster home, or the adult foster home, and the person shows a reckless disregard for the truth or falsity of the substance of the complaint.

"**SECTION 791n.** ORS 443.767 is amended to read:

"443.767. (1) When the [*Department of Human Services*] **licensing agency** receives a complaint that alleges that a resident of a licensed adult foster home has been injured, abused or neglected, and that the resident's health or safety is in imminent danger, or that the resident has died or been hospitalized, the investigation shall begin immediately after the complaint is received. If the investigator determines that the complaint is substantiated, the [*department*] **licensing agency** shall take appropriate corrective action immediately.

"(2) When the [*department*] **licensing agency** receives a complaint that alleges the existence of

any circumstance that could result in injury, abuse or neglect of a resident of a licensed adult foster home, and that the circumstance could place the resident's health or safety in imminent danger, the [*department*] **agency** shall investigate the complaint promptly. If the investigator determines that the complaint is substantiated, the [*department*] **agency** shall take appropriate corrective action promptly.

"(3) After public hearing, the [*department*] **licensing agency** shall by rule set standards for the procedure, content and time limits for the initiation and completion of investigations of complaints. The time limits shall be as short as possible and shall vary in accordance with the severity of the circumstances alleged in the complaint. In no event shall the investigation exceed a duration of 60 days, unless there is an ongoing concurrent criminal investigation, in which case the [*department*] **licensing agency** may take a reasonable amount of additional time in which to complete the investigation.

"(4) The [*department*] **licensing agency** shall take no longer than 60 days from the completion of the investigation report to take appropriate corrective action in the case of any complaint that the investigator determines to be substantiated.

"(5)(a) The [*department*] **licensing agency** shall mail a copy of the investigation report within seven days of the completion of the report to:

"(A) The complainant, unless the complainant requests anonymity;

"(B) The resident, and any person designated by the resident to receive information concerning the resident;

"(C) The facility; and

"(D) The Long Term Care Ombudsman.

"(b) The copy of the report shall be accompanied by a notice that informs the recipient of the right to submit additional evidence.

"(6) The complaint and the investigation report shall be available to the public at the local [*department*] office **of the licensing agency** or the type B area agency on aging, if appropriate. When the [*department*] **licensing agency** or type B area agency on aging concludes the investigation of a complaint, the [*department*] **licensing agency** or type B area agency on aging shall clearly designate the outcome of the complaint investigation and make the designation available to the public together with the complaint and the investigation report.

"(7) A copy of the report shall be forwarded to the [*department*] **licensing agency** whether or not the investigation report concludes that the complaint is substantiated.

"**SECTION 791o.** ORS 443.775 is amended to read:

"443.775. (1) The [*Department of Human Services*] **licensing agency** shall adopt rules governing adult foster homes and the level of care provided in such homes, including the provision of care to more than one person with nursing care needs under specified conditions and [*department*] **agency** approval, such as are necessary to protect the health, safety or welfare of the residents and to provide for an appropriate continuum of care, but shall not be inconsistent with the residential nature of the living accommodations and the family atmosphere of the home. The rules shall be consistent with rules adopted by the Oregon State Board of Nursing under ORS 678.150 (9).

"(a) An exception to the limit of one resident with nursing care needs may be granted if the provider proves to the [*department*] **licensing agency** by clear and convincing evidence that such an exception will not jeopardize the care, health, safety or welfare of the residents and that the provider is capable of meeting the additional care needs of the new resident.

"(b) The [*department*] **licensing agency**, and the counties acting under the exemption granted

pursuant to ORS 443.780, shall report on a quarterly basis to the Legislative Assembly on the number of exceptions granted during the quarter pursuant to paragraph (a) of this subsection.

"(2) The provider may not employ a resident manager who does not meet the classification standard for the adult foster home.

"(3) The provider shall be able to meet the night care needs of a resident before admitting the resident. The provider shall include night care needs in the resident's care plan.

"(4) The provider shall screen a prospective resident before admitting the resident. The screening shall include but is not limited to diagnosis, medications, personal care needs, nursing care needs, night care needs, nutritional needs, activities and lifestyle preferences. A copy of the screening shall be given to the prospective resident or the prospective resident's representative.

"(5) The [*department*] **licensing agency** shall make rules to assure that any employee who makes a complaint pursuant to ORS 443.755 shall be protected from retaliation.

"(6) For adult foster homes in which clients reside for whom the [*department*] **licensing agency** pays for care, including homes in which the provider and the resident are related, the [*department*] **agency** may require substantial compliance with its rules relating to standards for care of the client as a condition for paying for care.

"(7) By order the director of [*Human Services*] **the licensing agency** may delegate authority under this section to personnel other than of the [*department*] **licensing agency**.

"(8) The [*department*] **licensing agency** may commence a suit in equity to enjoin maintenance of an adult foster home if:

"(a) The home is operated without a valid license under this section; or

"(b) After the license to maintain the home is ordered suspended or revoked, a reasonable time for placement of residents in other facilities has been allowed but such placement has not been accomplished.

"(9) The [*department*] **licensing agency** shall establish by rule the maximum capacity of adult foster homes, including all nonrelated and related persons receiving residential care and day care.

"(10) Any person who violates a provision of ORS 443.705 to 443.825 or the rules adopted thereunder may be subjected to the imposition of a civil penalty, to be fixed by the director by rule, not to exceed $100 per violation, to a maximum of $250 or, per occurrence of substantiated abuse, a maximum of $1,000.

"**SECTION 791p.** ORS 443.780 is amended to read:

"443.780. (1) The director of [*Human Services*] **the licensing agency** may exempt from the license, inspection and fee provisions of ORS 443.705 to 443.825 adult foster homes in those counties where there is a county agency which provides similar programs for licensing and inspection that the director finds are equal to or superior to the requirements of ORS 443.705 to 443.825.

"(2) ORS 443.775 (5) applies regardless of any exceptions granted to a county agency.

"**SECTION 791q.** ORS 443.785 is amended to read:

"443.785. The [*Department of Human Services*] **licensing agency** may not require an adult foster home that elects to provide care for a Medicaid recipient to admit an additional Medicaid resident under a contract with the [*department*] **agency**.

"**SECTION 791r.** ORS 443.790 is amended to read:

"443.790. (1) In addition to any other liability or penalty provided by law, the director of [*Human Services*] **the licensing agency** may impose a civil penalty on a person for any of the following:

"(a) Violation of any of the terms or conditions of a license issued under ORS 443.735.

"(b) Violation of any rule or general order of the [*Department of Human Services*] **licensing**

agency that pertains to a facility.

"(c) Violation of any final order of the director that pertains specifically to the facility owned or operated by the person incurring the penalty.

"(d) Violation of ORS 443.745 or of rules required to be adopted under ORS 443.775.

"(2) The director shall impose a civil penalty of not to exceed $500 on any adult foster home for falsifying resident or facility records or causing another to do so.

"(3) The director shall impose a civil penalty of $250 on a provider who violates ORS 443.725 (3).

"(4) The director shall impose a civil penalty of not less than $250 nor more than $500 on a provider who admits a resident knowing that the resident's care needs exceed the license classification of the provider if the admission places the resident or other residents at grave risk of harm.

"(5)(a) In every case other than those involving the health, safety or welfare of a resident, the director shall prescribe a reasonable time for elimination of a violation but except as provided in paragraph (b) of this subsection shall not prescribe a period to exceed 30 days after notice of the violation.

"(b) The director may approve a reasonable amount of time in excess of 30 days if correction of the violation within 30 days is determined to be impossible.

"(6) In imposing a civil penalty, the director shall consider the following factors:

"(a) The past history of the person incurring a penalty in taking all feasible steps or procedures necessary or appropriate to correct any violation.

"(b) Any prior violations of statutes, rules or orders pertaining to facilities.

"(c) The economic and financial conditions of the person incurring the penalty.

"(d) The immediacy and extent to which the violation threatens or threatened the health, safety or welfare of one or more residents.

"(7) The [*department*] **licensing agency** shall adopt rules establishing objective criteria for the imposition and amount of civil penalties under this section.

"**SECTION 791s.** ORS 443.795 is amended to read:

"443.795. (1) Any civil penalty under ORS 443.790 shall be imposed as provided in ORS 183.745.

"(2) Notwithstanding ORS 183.745, the person to whom the notice is addressed shall have 10 days from the date of service of the notice in which to make written application for a hearing before the director of [*Human Services*] **the licensing agency**.

"(3) The [*Department of Human Services*] **licensing agency** shall conduct the hearing and issue the final order within 180 days after any hearing request.".

Delete lines 41 through 45.

On page 409, delete lines 1 through 34 and insert:

"**NOTE:** Sections 794 and 795 were deleted by amendment. Subsequent sections were not renumbered.".

On page 486, line 34, before "and" insert ", the Oregon Health Authority, community mental health programs, developmental disabilities programs".

In line 35, delete the boldfaced material and insert ", the Oregon Health Authority, an area agency, a community mental health program or a developmental disabilities program".

In line 44, delete the boldfaced material and insert ", the Oregon Health Authority, an area agency, a community mental health program or a developmental disabilities program".

On page 487, after line 8, insert:

"(c) 'Community mental health program' means a program established under ORS 430.620 (1)(b).

"(d) 'Developmental disabilities program' means a program established under ORS 430.620 (1)(a).".

On page 547, line 7, restore the bracketed material.

In line 8, restore the bracketed material and before "Oregon" insert "or the".

In line 23, restore the bracketed material and delete the boldfaced material.

On page 554, line 39, delete the boldfaced material.

In line 40, delete the boldfaced material and after "and" insert "shall work with the Director of the Oregon Health Authority to review the health insurance provisions of the Insurance Code and".

On page 557, after line 15, insert:

"**SECTION 1120a.** ORS 735.625 is amended to read:

"735.625. (1) Except as provided in subsection (3)(c) of this section, the Oregon Medical Insurance Pool Board shall offer major medical expense coverage to every eligible person.

"(2) The coverage to be issued by the board, its schedule of benefits, exclusions and other limitations, shall be established through rules adopted by the board, taking into consideration the advice and recommendations of the pool members. In the absence of such rules, the pool shall adopt by rule the minimum benefits prescribed by section 6 (Alternative 1) of the Model Health Insurance Pooling Mechanism Act of the National Association of Insurance Commissioners (1984).

"(3)(a) In establishing portability coverage under the pool, the board shall consider the levels of medical insurance provided in this state and medical economic factors identified by the board. The board may adopt rules to establish benefit levels, deductibles, coinsurance factors, exclusions and limitations that the board determines are equivalent to the portability health benefit plans established under ORS 743.760.

"(b) In establishing medical insurance coverage under the pool, the board shall consider the levels of medical insurance provided in this state and medical economic factors identified by the board. The board may adopt rules to establish benefit levels, deductibles, coinsurance factors, exclusions and limitations that the board determines are equivalent to those found in the commercial group or employer-based medical insurance market.

"(c) The board may provide a separate Medicare supplement policy for individuals under the age of 65 who are receiving Medicare disability benefits. The board shall adopt rules to establish benefits, deductibles, coinsurance, exclusions and limitations, premiums and eligibility requirements for the Medicare supplement policy.

"(d) In establishing medical insurance coverage for persons eligible for coverage under ORS 735.615 (1)(d), the board shall consider the levels of medical insurance provided in this state and medical economic factors identified by the board. The board may adopt rules to establish benefit levels, deductibles, coinsurance factors, exclusions and limitations to create benefit plans that qualify the person for the credit for health insurance costs under section 35 of the federal Internal Revenue Code, as amended and in effect on December 31, 2004.

"(4)(a) Premiums charged for coverages issued by the board may not be unreasonable in relation to the benefits provided, the risk experience and the reasonable expenses of providing the coverage.

"(b) Separate schedules of premium rates based on age and geographical location may apply for individual risks.

"(c) The board shall determine the applicable medical and portability risk rates either by calculating the average rate charged by insurers offering coverages in the state comparable to the pool coverage or by using reasonable actuarial techniques. The risk rates shall reflect anticipated expe-

rience and expenses for such coverage. Rates for pool coverage may not be more than 125 percent of rates established as applicable for medically eligible individuals or for persons eligible for pool coverage under ORS 735.615 (1)(d), or 100 percent of rates established as applicable for portability eligible individuals.

"(d) The board shall annually determine adjusted benefits and premiums. The adjustments shall be in keeping with the purposes of ORS 735.600 to 735.650, subject to a limitation of keeping pool losses under one percent of the total of all medical insurance premiums, subscriber contract charges and 110 percent of all benefits paid by member self-insurance arrangements. The board may determine the total number of persons that may be enrolled for coverage at any time and may permit and prohibit enrollment in order to maintain the number authorized. Nothing in this paragraph authorizes the board to prohibit enrollment for any reason other than to control the number of persons in the pool.

"(5)(a) The board may apply:

"(A) A waiting period of not more than 90 days during which the person has no available coverage; or

"(B) Except as provided in paragraph (c) of this subsection, a preexisting conditions provision of not more than six months from the effective date of coverage under the pool.

"(b) In determining whether a preexisting conditions provision applies to an eligible enrollee, except as provided in this subsection, the board shall credit the time the eligible enrollee was covered under a previous health benefit plan if the previous health benefit plan was continuous to a date not more than 63 days prior to the effective date of the new coverage under the Oregon Medical Insurance Pool, exclusive of any applicable waiting period. The Oregon Medical Insurance Pool Board need not credit the time for previous coverage to which the insured or dependent is otherwise entitled under this subsection with respect to benefits and services covered in the pool coverage that were not covered in the previous coverage.

"(c) The board may adopt rules applying a preexisting conditions provision to a person who is eligible for coverage under ORS 735.615 (1)(d).

"(d) For purposes of this subsection, a 'preexisting conditions provision' means a provision that excludes coverage for services, charges or expenses incurred during a specified period not to exceed six months following the insured's effective date of coverage, for a condition for which medical advice, diagnosis, care or treatment was recommended or received during the six-month period immediately preceding the insured's effective date of coverage.

"(6)(a) Benefits otherwise payable under pool coverage shall be reduced by all amounts paid or payable through any other health insurance, or self-insurance arrangement, and by all hospital and medical expense benefits paid or payable under any workers' compensation coverage, automobile medical payment or liability insurance whether provided on the basis of fault or nonfault, and by any hospital or medical benefits paid or payable under or provided pursuant to any state or federal law or program except the Medicaid portion of the [*Oregon Health Plan*] **medical assistance program** offering a level of health services described in ORS 414.707.

"(b) The board shall have a cause of action against an eligible person for the recovery of the amount of benefits paid which are not for covered expenses. Benefits due from the pool may be reduced or refused as a setoff against any amount recoverable under this paragraph.

"(7) Except as provided in ORS 735.616, no mandated benefit statutes apply to pool coverage under ORS 735.600 to 735.650.

"(8) Pool coverage may be furnished through a health care service contractor or such alterna-

tive delivery system as will contain costs while maintaining quality of care.".

On page 558, line 2, delete "Authority" and insert "Policy".

On page 559, line 17, delete "1136" and insert "1134".

After line 18, insert:

"**SECTION 1135.** ORS 743.730 is amended to read:

"743.730. For purposes of ORS 743.730 to 743.773:

"(1) 'Actuarial certification' means a written statement by a member of the American Academy of Actuaries or other individual acceptable to the Director of the Department of Consumer and Business Services that a carrier is in compliance with the provisions of ORS 743.736, 743.760 or 743.761, based upon the person's examination, including a review of the appropriate records and of the actuarial assumptions and methods used by the carrier in establishing premium rates for small employer and portability health benefit plans.

"(2) 'Affiliate' of, or person 'affiliated' with, a specified person means any carrier who, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a specified person. For purposes of this definition, 'control' has the meaning given that term in ORS 732.548.

"(3) 'Affiliation period' means, under the terms of a group health benefit plan issued by a health care service contractor, a period:

"(a) That is applied uniformly and without regard to any health status related factors to an enrollee or late enrollee in lieu of a preexisting conditions provision;

"(b) That must expire before any coverage becomes effective under the plan for the enrollee or late enrollee;

"(c) During which no premium shall be charged to the enrollee or late enrollee; and

"(d) That begins on the enrollee's or late enrollee's first date of eligibility for coverage and runs concurrently with any eligibility waiting period under the plan.

"(4) 'Basic health benefit plan' means a health benefit plan for small employers that is required to be offered by all small employer carriers and approved by the Director of the Department of Consumer and Business Services in accordance with ORS 743.736.

"(5) 'Bona fide association' means an association that meets the requirements of 42 U.S.C. 300gg-11 as amended and in effect on July 1, 1997.

"(6) 'Carrier' means any person who provides health benefit plans in this state, including a licensed insurance company, a health care service contractor, a health maintenance organization, an association or group of employers that provides benefits by means of a multiple employer welfare arrangement or any other person or corporation responsible for the payment of benefits or provision of services.

"(7) 'Committee' means the Health Insurance Reform Advisory Committee created under ORS 743.745.

"(8) 'Creditable coverage' means prior health care coverage as defined in 42 U.S.C. 300gg as amended and in effect on July 1, 1997, and includes coverage remaining in force at the time the enrollee obtains new coverage.

"(9) 'Department' means the Department of Consumer and Business Services.

"(10) 'Dependent' means the spouse or child of an eligible employee, subject to applicable terms of the health benefit plan covering the employee.

"(11) 'Director' means the Director of the Department of Consumer and Business Services.

"(12) 'Eligible employee' means an employee of a small employer who works on a regularly

scheduled basis, with a normal work week of 17.5 or more hours. The employer may determine hours worked for eligibility between 17.5 and 40 hours per week subject to rules of the carrier. 'Eligible employee' does not include employees who work on a temporary, seasonal or substitute basis. Employees who have been employed by the small employer for fewer than 90 days are not eligible employees unless the small employer so allows.

"(13) 'Employee' means any individual employed by an employer.

"(14) 'Enrollee' means an employee, dependent of the employee or an individual otherwise eligible for a group, individual or portability health benefit plan who has enrolled for coverage under the terms of the plan.

"(15) 'Exclusion period' means a period during which specified treatments or services are excluded from coverage.

"(16) 'Financially impaired' means a member that is not insolvent and is:

"(a) Considered by the Director of the Department of Consumer and Business Services to be potentially unable to fulfill its contractual obligations; or

"(b) Placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

"(17)(a) 'Geographic average rate' means the arithmetical average of the lowest premium and the corresponding highest premium to be charged by a carrier in a geographic area established by the director for the carrier's:

"(A) Small employer group health benefit plans;

"(B) Individual health benefit plans; or

"(C) Portability health benefit plans.

"(b) 'Geographic average rate' does not include premium differences that are due to differences in benefit design or family composition.

"(18) 'Group eligibility waiting period' means, with respect to a group health benefit plan, the period of employment or membership with the group that a prospective enrollee must complete before plan coverage begins.

"(19)(a) 'Health benefit plan' means any hospital expense, medical expense or hospital or medical expense policy or certificate, health care service contractor or health maintenance organization subscriber contract, any plan provided by a multiple employer welfare arrangement or by another benefit arrangement defined in the federal Employee Retirement Income Security Act of 1974, as amended.

"(b) 'Health benefit plan' does not include coverage for accident only, specific disease or condition only, credit, disability income, coverage of Medicare services pursuant to contracts with the federal government, Medicare supplement insurance policies, coverage of CHAMPUS services pursuant to contracts with the federal government, benefits delivered through a flexible spending arrangement established pursuant to section 125 of the Internal Revenue Code of 1986, as amended, when the benefits are provided in addition to a group health benefit plan, long term care insurance, hospital indemnity only, short term health insurance policies (the duration of which does not exceed six months including renewals), student accident and health insurance policies, dental only, vision only, a policy of stop-loss coverage that meets the requirements of ORS 742.065, coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical payment insurance or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

"(c) Nothing in this subsection shall be construed to regulate any employee welfare benefit plan

that is exempt from state regulation because of the federal Employee Retirement Income Security Act of 1974, as amended.

"(20) 'Health statement' means any information that is intended to inform the carrier or insurance producer of the health status of an enrollee or prospective enrollee in a health benefit plan. 'Health statement' includes the standard health statement developed by the Health Insurance Reform Advisory Committee.

"(21) 'Implementation of chapter 836, Oregon Laws 1989' means that the Health Services Commission has prepared a priority list, the Legislative Assembly has enacted funding of the list and all necessary federal approval, including waivers, has been obtained.

"(22) 'Individual coverage waiting period' means a period in an individual health benefit plan during which no premiums may be collected and health benefit plan coverage issued is not effective.

"(23) 'Initial enrollment period' means a period of at least 30 days following commencement of the first eligibility period for an individual.

"(24) 'Late enrollee' means an individual who enrolls in a group health benefit plan subsequent to the initial enrollment period during which the individual was eligible for coverage but declined to enroll. However, an eligible individual shall not be considered a late enrollee if:

"(a) The individual qualifies for a special enrollment period in accordance with 42 U.S.C. 300gg as amended and in effect on July 1, 1997;

"(b) The individual applies for coverage during an open enrollment period;

"(c) A court has ordered that coverage be provided for a spouse or minor child under a covered employee's health benefit plan and request for enrollment is made within 30 days after issuance of the court order;

"(d) The individual is employed by an employer who offers multiple health benefit plans and the individual elects a different health benefit plan during an open enrollment period; or

"(e) The individual's coverage under Medicaid, Medicare, CHAMPUS, Indian Health Service or a publicly sponsored or subsidized health plan, including but not limited to the [*Oregon Health Plan*] **medical assistance program under ORS chapter 414**, has been involuntarily terminated within 63 days of applying for coverage in a group health benefit plan.

"(25) 'Multiple employer welfare arrangement' means a multiple employer welfare arrangement as defined in section 3 of the federal Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. 1002, that is subject to ORS 750.301 to 750.341.

"(26) 'Oregon Medical Insurance Pool' means the pool created under ORS 735.610.

"(27) 'Preexisting conditions provision' means a health benefit plan provision applicable to an enrollee or late enrollee that excludes coverage for services, charges or expenses incurred during a specified period immediately following enrollment for a condition for which medical advice, diagnosis, care or treatment was recommended or received during a specified period immediately preceding enrollment. For purposes of ORS 743.730 to 743.773:

"(a) Pregnancy does not constitute a preexisting condition except as provided in ORS 743.766;

"(b) Genetic information does not constitute a preexisting condition in the absence of a diagnosis of the condition related to such information; and

"(c) A preexisting conditions provision shall not be applied to a newborn child or adopted child who obtains coverage in accordance with ORS 743A.090.

"(28) 'Premium' includes insurance premiums or other fees charged for a health benefit plan, including the costs of benefits paid or reimbursements made to or on behalf of enrollees covered by the plan.

"(29) 'Rating period' means the 12-month calendar period for which premium rates established by a carrier are in effect, as determined by the carrier.

"(30)(a) 'Small employer' means an employer that employed an average of at least two but not more than 50 employees on business days during the preceding calendar year, the majority of whom are employed within this state, and that employs at least two eligible employees on the date on which coverage takes effect under a health benefit plan issued by a small employer carrier.

"(b) Any person that is treated as a single employer under subsection (b), (c), (m) or (o) of section 414 of the Internal Revenue Code of 1986 shall be treated as one employer for purposes of this subsection.

"(c) The determination of whether an employer that was not in existence throughout the preceding calendar year is a small employer shall be based on the average number of employees that it is reasonably expected the employer will employ on business days in the current calendar year.

"(31) 'Small employer carrier' means any carrier that offers health benefit plans covering eligible employees of one or more small employers. A fully insured multiple employer welfare arrangement otherwise exempt under ORS 750.303 (4) may elect to be a small employer carrier governed by the provisions of ORS 743.733 to 743.737.

"**SECTION 1136.** ORS 743.737 is amended to read:

"743.737. Health benefit plans covering small employers shall be subject to the following provisions:

"(1) A preexisting conditions provision in a small employer health benefit plan shall apply only to a condition for which medical advice, diagnosis, care or treatment was recommended or received during the six-month period immediately preceding the enrollment date of an enrollee or late enrollee. As used in this section, the enrollment date of an enrollee shall be the earlier of the effective date of coverage or the first day of any required group eligibility waiting period and the enrollment date of a late enrollee shall be the effective date of coverage.

"(2) A preexisting conditions provision in a small employer health benefit plan shall terminate its effect as follows:

"(a) For an enrollee, not later than the first of the following dates:

"(A) Six months following the enrollee's effective date of coverage; or

"(B) Ten months following the start of any required group eligibility waiting period.

"(b) For a late enrollee, not later than 12 months following the late enrollee's effective date of coverage.

"(3) In applying a preexisting conditions provision to an enrollee or late enrollee, except as provided in this subsection, all small employer health benefit plans shall reduce the duration of the provision by an amount equal to the enrollee's or late enrollee's aggregate periods of creditable coverage if the most recent period of creditable coverage is ongoing or ended within 63 days of the enrollment date in the new small employer health benefit plan. The crediting of prior coverage in accordance with this subsection shall be applied without regard to the specific benefits covered during the prior period. This subsection does not preclude, within a small employer health benefit plan, application of:

"(a) An affiliation period that does not exceed two months for an enrollee or three months for a late enrollee; or

"(b) An exclusion period for specified covered services, as established by the Health Insurance Reform Advisory Committee, applicable to all individuals enrolling for the first time in the small employer health benefit plan.

"(4) Late enrollees may be excluded from coverage for up to 12 months or may be subjected to a preexisting conditions provision for up to 12 months. If both an exclusion from coverage period and a preexisting conditions provision are applicable to a late enrollee, the combined period shall not exceed 12 months.

"(5) Each small employer health benefit plan shall be renewable with respect to all eligible enrollees at the option of the policyholder, small employer or contract holder except:

"(a) For nonpayment of the required premiums by the policyholder, small employer or contract holder.

"(b) For fraud or misrepresentation of the policyholder, small employer or contract holder or, with respect to coverage of individual enrollees, the enrollees or their representatives.

"(c) When the number of enrollees covered under the plan is less than the number or percentage of enrollees required by participation requirements under the plan.

"(d) For noncompliance with the small employer carrier's employer contribution requirements under the health benefit plan.

"(e) When the carrier discontinues offering or renewing, or offering and renewing, all of its small employer health benefit plans in this state or in a specified service area within this state. In order to discontinue plans under this paragraph, the carrier:

"(A) Must give notice of the decision to the Director of the Department of Consumer and Business Services and to all policyholders covered by the plans;

"(B) May not cancel coverage under the plans for 180 days after the date of the notice required under subparagraph (A) of this paragraph if coverage is discontinued in the entire state or, except as provided in subparagraph (C) of this paragraph, in a specified service area;

"(C) May not cancel coverage under the plans for 90 days after the date of the notice required under subparagraph (A) of this paragraph if coverage is discontinued in a specified service area because of an inability to reach an agreement with the health care providers or organization of health care providers to provide services under the plans within the service area; and

"(D) Must discontinue offering or renewing, or offering and renewing, all health benefit plans issued by the carrier in the small employer market in this state or in the specified service area.

"(f) When the carrier discontinues offering and renewing a small employer health benefit plan in a specified service area within this state because of an inability to reach an agreement with the health care providers or organization of health care providers to provide services under the plan within the service area. In order to discontinue a plan under this paragraph, the carrier:

"(A) Must give notice to the director and to all policyholders covered by the plan;

"(B) May not cancel coverage under the plan for 90 days after the date of the notice required under subparagraph (A) of this paragraph; and

"(C) Must offer in writing to each small employer covered by the plan, all other small employer health benefit plans that the carrier offers in the specified service area. The carrier shall issue any such plans pursuant to the provisions of ORS 743.733 to 743.737. The carrier shall offer the plans at least 90 days prior to discontinuation.

"(g) When the carrier discontinues offering or renewing, or offering and renewing, a health benefit plan for all small employers in this state or in a specified service area within this state, other than a plan discontinued under paragraph (f) of this subsection. With respect to plans that are being discontinued, the carrier must:

"(A) Offer in writing to each small employer covered by the plan, all health benefit plans that the carrier offers in the specified service area.

"(B) Issue any such plans pursuant to the provisions of ORS 743.733 to 743.737.

"(C) Offer the plans at least 90 days prior to discontinuation.

"(D) Act uniformly without regard to the claims experience of the affected policyholders or the health status of any current or prospective enrollee.

"(h) When the director orders the carrier to discontinue coverage in accordance with procedures specified or approved by the director upon finding that the continuation of the coverage would:

"(A) Not be in the best interests of the enrollees; or

"(B) Impair the carrier's ability to meet contractual obligations.

"(i) When, in the case of a small employer health benefit plan that delivers covered services through a specified network of health care providers, there is no longer any enrollee who lives, resides or works in the service area of the provider network.

"(j) When, in the case of a health benefit plan that is offered in the small employer market only through one or more bona fide associations, the membership of an employer in the association ceases and the termination of coverage is not related to the health status of any enrollee.

"(k) For misuse of a provider network provision. As used in this paragraph, 'misuse of a provider network provision' means a disruptive, unruly or abusive action taken by an enrollee that threatens the physical health or well-being of health care staff and seriously impairs the ability of the carrier or its participating providers to provide services to an enrollee. An enrollee under this paragraph retains the rights of an enrollee under ORS 743.804.

"(L) A small employer carrier may modify a small employer health benefit plan at the time of coverage renewal. The modification is not a discontinuation of the plan under paragraphs (e) and (g) of this subsection.

"(6) Notwithstanding any provision of subsection (5) of this section to the contrary, any small employer carrier health benefit plan subject to the provisions of ORS 743.733 to 743.737 may be rescinded by a small employer carrier for fraud, material misrepresentation or concealment by a small employer and the coverage of an enrollee may be rescinded for fraud, material misrepresentation or concealment by the enrollee.

"(7) A small employer carrier may continue to enforce reasonable employer participation and contribution requirements on small employers applying for coverage. However, participation and contribution requirements shall be applied uniformly among all small employer groups with the same number of eligible employees applying for coverage or receiving coverage from the small employer carrier. In determining minimum participation requirements, a carrier shall count only those employees who are not covered by an existing group health benefit plan, Medicaid, Medicare, CHAMPUS, Indian Health Service or a publicly sponsored or subsidized health plan, including but not limited to the [*Oregon Health Plan*] **medical assistance program under ORS chapter 414**.

"(8) Premium rates for small employer health benefit plans shall be subject to the following provisions:

"(a) Each small employer carrier issuing health benefit plans to small employers must file its geographic average rate for a rating period with the director at least once every 12 months.

"(b)(A) The premium rates charged during a rating period for health benefit plans issued to small employers may not vary from the geographic average rate by more than 50 percent on or after January 1, 2008, except as provided in subparagraph (D) of this paragraph.

"(B) The variations in premium rates described in subparagraph (A) of this paragraph shall be based solely on the factors specified in subparagraph (C) of this paragraph. A small employer carrier may elect which of the factors specified in subparagraph (C) of this paragraph apply to premium

rates for small employers. The factors that are based on contributions or participation may vary with the size of the employer. All other factors must be applied in the same actuarially sound way to all small employers.

"(C) The variations in premium rates described in subparagraph (A) of this paragraph may be based on one or more of the following factors:

"(i) The ages of enrolled employees and their dependents;

"(ii) The level at which the small employer contributes to the premiums payable for enrolled employees and their dependents;

"(iii) The level at which eligible employees participate in the health benefit plan;

"(iv) The level at which enrolled employees and their dependents engage in tobacco use;

"(v) The level at which enrolled employees and their dependents engage in health promotion, disease prevention or wellness programs;

"(vi) The period of time during which a small employer retains uninterrupted coverage in force with the same small employer carrier; and

"(vii) Adjustments to reflect the provision of benefits not required to be covered by the basic health benefit plan and differences in family composition.

"(D)(i) The premium rates determined in accordance with this paragraph may be further adjusted by a small employer carrier to reflect the expected claims experience of a small employer, but the extent of this adjustment may not exceed five percent of the annual premium rate otherwise payable by the small employer. The adjustment under this subparagraph may not be cumulative from year to year.

"(ii) Except for small employers with 25 or fewer employees, the premium rates adjusted under this subparagraph are not subject to the provisions of subparagraph (A) of this paragraph.

"(E) A small employer carrier shall apply the carrier's schedule of premium rate variations as approved by the Director of the Department of Consumer and Business Services and in accordance with this paragraph. Except as otherwise provided in this section, the premium rate established for a health benefit plan by a small employer carrier shall apply uniformly to all employees of the small employer enrolled in that plan.

"(c) Except as provided in paragraph (b) of this subsection, the variation in premium rates between different small employer health benefit plans offered by a small employer carrier must be based solely on objective differences in plan design or coverage and must not include differences based on the risk characteristics of groups assumed to select a particular health benefit plan.

"(d) A small employer carrier may not increase the rates of a health benefit plan issued to a small employer more than once in a 12-month period. Annual rate increases shall be effective on the plan anniversary date of the health benefit plan issued to a small employer. The percentage increase in the premium rate charged to a small employer for a new rating period may not exceed the sum of the following:

"(A) The percentage change in the geographic average rate measured from the first day of the prior rating period to the first day of the new period; and

"(B) Any adjustment attributable to changes in age, except an additional adjustment may be made to reflect the provision of benefits not required to be covered by the basic health benefit plan and differences in family composition.

"(e) Premium rates for health benefit plans shall comply with the requirements of this section.

"(9) In connection with the offering for sale of any health benefit plan to a small employer, each small employer carrier shall make a reasonable disclosure as part of its solicitation and sales ma-

terials of:

"(a) The full array of health benefit plans that are offered to small employers by the carrier;

"(b) The authority of the carrier to adjust rates, and the extent to which the carrier will consider age, family composition and geographic factors in establishing and adjusting rates;

"(c) Provisions relating to renewability of policies and contracts; and

"(d) Provisions affecting any preexisting conditions provision.

"(10)(a) Each small employer carrier shall maintain at its principal place of business a complete and detailed description of its rating practices and renewal underwriting practices, including information and documentation that demonstrate that its rating methods and practices are based upon commonly accepted actuarial practices and are in accordance with sound actuarial principles.

"(b) Each small employer carrier shall file with the director at least once every 12 months an actuarial certification that the carrier is in compliance with ORS 743.733 to 743.737 and that the rating methods of the small employer carrier are actuarially sound. Each such certification shall be in a uniform form and manner and shall contain such information as specified by the director. A copy of such certification shall be retained by the small employer carrier at its principal place of business.

"(c) A small employer carrier shall make the information and documentation described in paragraph (a) of this subsection available to the director upon request. Except as provided in ORS 743.018 and except in cases of violations of ORS 743.733 to 743.737, the information shall be considered proprietary and trade secret information and shall not be subject to disclosure by the director to persons outside the Department of Consumer and Business Services except as agreed to by the small employer carrier or as ordered by a court of competent jurisdiction.

"(11) A small employer carrier shall not provide any financial or other incentive to any insurance producer that would encourage the insurance producer to market and sell health benefit plans of the carrier to small employer groups based on a small employer group's anticipated claims experience.

"(12) For purposes of this section, the date a small employer health benefit plan is continued shall be the anniversary date of the first issuance of the health benefit plan.

"(13) A small employer carrier must include a provision that offers coverage to all eligible employees and to all dependents to the extent the employer chooses to offer coverage to dependents.

"(14) All small employer health benefit plans shall contain special enrollment periods during which eligible employees and dependents may enroll for coverage, as provided in 42 U.S.C. 300gg as amended and in effect on July 1, 1997.".

On page 571, delete lines 36 through 45.

On page 572, delete line 1 and insert:

"**NOTE:** Section 1160 was deleted by amendment. Subsequent sections were not renumbered.".

On page 575, line 38, delete "subsections (2) and (3)" and insert "subsection (2)".

Delete lines 39 through 42.

In line 43, delete "(3)(a)" and insert "(2)(a)" and delete "shall" and insert "may, subject to funding,".

On page 580, line 2, after "purposes" insert a period and delete the rest of the line.

In line 17, delete "board may" and insert "Oregon Health Policy Board shall".

On page 588, delete lines 32 through 45.

On page 589, delete lines 1 through 18 and insert:

"**NOTE:** Section 1203 was deleted by amendment. Subsequent sections were not renumbered.".

In line 23, after "430.190" insert ", 442.035, 442.045, 442.057".
