

# House Bill 3513

Sponsored by Representative HAYDEN; Representatives BENTZ, DAVIS, MCLANE, OLSON, SPRENGER, WHISNANT, WILSON, Senator KNOPP

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Creates Rural Medicaid Access and Development Act to provide financial support to rural hospitals and health care providers and to establish primary care residency programs.  
Establishes Rural Medicaid Access and Development Fund.

## A BILL FOR AN ACT

1  
2 Relating to health care.

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

4 **SECTION 1. Sections 1 to 6 of this 2015 Act shall be known and may be cited as the Rural**  
5 **Medicaid Access and Development Act.**

6 **SECTION 2. The Rural Medicaid Access and Development Fund is established in the State**  
7 **Treasury, separate and distinct from the General Fund, consisting of moneys appropriated**  
8 **from the General Fund, moneys received under section 6 of this 2015 Act, moneys received**  
9 **as repayment for the low interest loans described in section 3 of this 2015 Act and interest**  
10 **earned by the Rural Medicaid Access and Development Fund, which shall be credited to the**  
11 **fund. Moneys in the fund are continuously appropriated to the Oregon Health Authority for**  
12 **carrying out the duties, functions and powers of the authority under the Rural Medicaid**  
13 **Access and Development Act.**

14 **SECTION 3. (1) The Oregon Health Authority shall contract with an Oregon-based lend-**  
15 **ing institution to administer a program to, using moneys in the Rural Medicaid Access and**  
16 **Development Fund, provide:**

17 (a) **Short term emergency funds to:**

18 (A) **Type A hospitals, as described in ORS 442.470;**

19 (B) **Type B hospitals, as described in ORS 442.470;**

20 (C) **Type C hospitals, as described in ORS 442.470; and**

21 (D) **Rural hospitals designated as rural referral centers by the Centers for Medicare and**  
22 **Medicaid Services under 42 U.S.C. 1395ww(d)(5)(C).**

23 (b) **Three-year low interest loans to rural health care providers meeting the criteria**  
24 **specified in subsection (3) of this section.**

25 (2) **Grants shall be provided to type A and type B hospitals that are at risk of closure.**

26 (3) **A three-year low interest loan shall be provided, for the purpose of setting up a**  
27 **practice in a rural medically underserved area, to a health care provider who:**

28 (a) **Due to the lack of a significant earnings history, is unable to secure financing from**  
29 **a commercial lender; and**

30 (b) **Agrees to accept medical assistance recipients as patients.**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.

1 (4) The authority shall adopt by rule the interest rate for loans provided under this sec-  
2 tion and the eligibility requirements to qualify for funds and loans under this section.

3 (5) The contract awarded under this section is subject to ORS 279B.060.

4 **SECTION 4.** (1) The Oregon Health Authority shall contract with a private entity to  
5 provide assessment, advice and support services to:

6 (a) Health care facilities in rural areas to assist the facilities in qualifying for re-  
7 imbursement from the United States Department of Veterans Affairs under 38 U.S.C. 1703  
8 or under other programs administered by the department to pay for medical care provided  
9 to veterans in facilities that are not operated by the department; and

10 (b) Recipients of funds and loans under section 3 of this 2015 Act.

11 (2) The private entity awarded the contract under subsection (1) of this section must  
12 have expertise and experience offering strategies and related training for hospitals and clin-  
13 ics for achieving financial stability and implementing sound management practices.

14 (3) The contract awarded under this section is subject to ORS 279B.060.

15 **SECTION 5.** (1) The Oregon Health Authority shall provide grants to one or more hospi-  
16 tals for the purpose of establishing new primary care residency programs.

17 (2) To qualify for a grant, a hospital must:

18 (a) Be located in a medically underserved area, as defined by the Office of Rural Health,  
19 with a population base of less than 400,000 people;

20 (b) Pledge a specific amount of the hospital's resources to the residency program; and

21 (c) Agree to accept medical assistance recipients as patients.

22 (3) The authority shall adopt by rule the criteria for the grants provided under this pro-  
23 gram.

24 **SECTION 6.** (1) The Oregon Health Authority shall apply:

25 (a) To the Centers for Medicare and Medicaid Services for any federal financial partic-  
26 ipation that may be available to pay all or some portion of the costs of carrying out the Rural  
27 Medicaid Access and Development Act;

28 (b) To the Health Resources and Services Administration of the United States Depart-  
29 ment of Health and Human Services for any rural health grant program funds that may be  
30 available to offset the cost of the Rural Medicaid Access and Development Act; and

31 (c) To other public or private sources for any other gifts, grants or funding available to  
32 offset the cost of the Rural Medicaid Access and Development Act.

33 (2) Moneys received by the authority under this section and section 7 of this 2015 Act  
34 shall be paid to and deposited in the Rural Medicaid Access and Development Fund.

35 **SECTION 7.** In addition to and not in lieu of any other appropriation, there is appropri-  
36 ated to the Oregon Health Authority, for the biennium beginning July 1, 2015, out of the  
37 General Fund, the amount of \$\_\_\_\_\_, which may be expended for carrying out the Rural  
38 Medicaid Access and Development Act.