

House Bill 2939

Sponsored by Representative HUDSON; Representatives GAMBA, NATHANSON, Senators PATTERSON, PHAM K (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act makes a hospital that wants to close or cease, reduce or relocate health services first give notice 275 days in advance. Allows the OHA to impose civil penalties. (Flesch Readability Score: 62.8).

Prohibits a hospital from closing or ceasing, reducing or relocating health services without first providing notice 275 days in advance. Requires the hospital to provide notice to the Oregon Health Authority, local governments, patients, employees and the public. Allows the authority to impose civil penalties for violations.

A BILL FOR AN ACT

1
2 Relating to the provision of health services offered by hospitals.

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

4 **SECTION 1. (1) As used in this section:**

5 (a) **“Cease” means ceasing to provide a health service at a hospital or hospital campus.**

6 (b) **“Health services” means a type of health service that a hospital is licensed by the**
7 **Oregon Health Authority to provide. Types of health service include but are not limited to**
8 **medical, surgical, intensive care, maternity, neonatal, inpatient mental health and inpatient**
9 **substance use disorder services.**

10 (c) **“Reduce” means reducing the provision of health services or operations at a hospital**
11 **to the extent that patients need to relocate to receive the same health service.**

12 (d) **“Relocate” means relocating from a hospital or hospital campus to another hospital,**
13 **hospital campus or health care facility.**

14 (2) **A hospital licensed under ORS 441.025 may not close or cease, reduce or relocate the**
15 **provision of health services offered by the hospital unless the hospital provides notice in the**
16 **form and manner described in subsection (3) of this section.**

17 (3)(a) **A hospital that decides to close or cease, reduce or relocate the provision of health**
18 **services offered by the hospital shall provide notice in writing to:**

19 (A) **The Oregon Health Authority;**

20 (B) **The governing body of any city or county affected by the hospital’s decision;**

21 (C) **Patients who receive or have received health services from the hospital within a pe-**
22 **riod of at least three years prior to the date that the hospital plans to close or cease, reduce**
23 **or relocate the provision of health services;**

24 (D) **Employees of the hospital who are impacted by the hospital’s decision; and**

25 (E) **The public.**

26 (b) **Notice to the public must be provided by:**

27 (A) **Posting a notice at each public entrance of the hospital and each hospital campus**

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 **building; and**

2 **(B) Providing a press release to news media local to the area affected by the hospital's**
3 **decision and statewide news media.**

4 **(c) Notice must:**

5 **(A) Be completed at least 275 days prior to the date that a hospital plans to close or**
6 **cease, reduce or relocate the provision of health services offered by the hospital;**

7 **(B) Contain information required by the authority; and**

8 **(C) Meet any other requirements as prescribed by the authority.**

9 **(4) The authority may adopt rules to carry out the provisions of this section.**

10 **SECTION 2. (1) A hospital that fails to provide notice or provide notice in the form and**
11 **manner as required by section 1 of this 2025 Act or rules adopted by the Oregon Health Au-**
12 **thority pursuant to section 1 of this 2025 Act may be subject to a civil penalty.**

13 **(2) The authority shall adopt a schedule of civil penalties not to exceed \$500 per day of**
14 **violation that are based on the severity of the violation.**

15 **(3) Civil penalties imposed under this section shall be imposed as provided in ORS 183.745.**

16 **(4) Civil penalties imposed under this section may be remitted or mitigated upon such**
17 **terms and conditions as the authority considers proper and consistent with the public health**
18 **and safety.**

19 **(5) Civil penalties incurred under this section are not allowable as costs for the purpose**
20 **of rate determination or for reimbursement by a third-party payer.**

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