

A-Engrossed Senate Bill 1162

Ordered by the Senate April 15
Including Senate Amendments dated April 15

Sponsored by Senators PATTERSON, GELSER BLOUIN, MANNING JR; Senator WOODS, Representative ANDERSEN

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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act says that a new or expanding hospice program must obtain a certificate of need. (Flesch Readability Score: 63.6).

Requires an individual or entity to obtain a certificate of need from the Oregon Health Authority before the individual or entity may establish a new hospice program or expand or relocate a hospice program into a new service area.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

Relating to certificates of need for hospice programs; creating new provisions; amending ORS 443.864 and 443.869; and declaring an emergency.

Whereas Oregonians have an interest in ensuring the equitable distribution, quality and financial sustainability of hospice services across this state; and

Whereas requiring a hospice program to obtain a certificate of need before establishing a new program or expanding or relocating an existing program would limit new hospice programs to those that demonstrate a true community need, reduce the risk of fraud and ensure ethical, high-quality end-of-life care; now, therefore,

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

SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS 443.850 to 443.869.

SECTION 2. (1) As used in this section, "service area" means a geographic area that is within a 60-mile radius from the physical location of a hospice program.

(2) Except as provided in subsection (9) of this section, an individual or entity must obtain a certificate of need from the Oregon Health Authority before the individual or entity may establish a new hospice program or expand or relocate a hospice program into a new service area.

(3) The authority shall prescribe the form and manner for applying for a certificate of need under this section. An application must include:

(a) A description of the proposed project;

(b) Evidence of the need for hospice services in the proposed service area;

(c) Financial projections and sustainability plans; and

(d) An analysis of the impact on existing hospice providers.

(4) An applicant for a certificate of need under this section shall pay a fee as prescribed

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 by the authority. Fees prescribed under this section may not exceed the cost of administer-
2 ing this section.

3 (5) The authority shall evaluate applications for a certificate of need under this section
4 based on the following criteria:

5 (a) Community need for additional hospice services;

6 (b) Accessibility of hospice services for underserved populations;

7 (c) Cost-effectiveness and financial viability; and

8 (d) Quality standards and compliance with state and federal laws and regulations.

9 (6) Within 60 days after receiving a complete application for a certificate of need under
10 this section, the authority shall hold a public hearing to gather input from stakeholders.

11 (7)(a) Within 90 days after the public hearing, the authority shall issue a proposed deci-
12 sion.

13 (b) An applicant or affected person is entitled to a contested case hearing in accordance
14 with ORS chapter 183 to challenge the proposed decision. Following a contested case hearing,
15 or if no applicant or affected person requests a contested case hearing within a period of
16 time prescribed by the authority by rule, the authority shall issue a final order granting,
17 with or without limitations, or denying the certificate of need.

18 (8) A certificate of need under this section is not transferable.

19 (9) A hospice program that seeks to repair or renovate existing facilities is not required
20 to obtain a certificate of need under this section.

21 (10) The authority shall adopt rules necessary to carry out the provisions of this section.

22 **SECTION 3.** ORS 443.864 is amended to read:

23 443.864. The Oregon Health Authority may suspend, revoke or refuse to renew the license of a
24 hospice program for failure to comply with ORS 443.860 or **section 2 of this 2025 Act** or with rules
25 adopted pursuant to ORS 443.860.

26 **SECTION 4.** ORS 443.869 is amended to read:

27 443.869. (1)(a) In addition to any other liability or penalty provided by law, the Director of the
28 Oregon Health Authority may impose a civil penalty of \$1,000 per day, up to \$10,000 in any 30-day
29 period, for any of the following:

30 [(1)] (A) Violation of any of the terms or conditions of a license issued under ORS 443.860 to a
31 hospice program.

32 [(2)] (B) Violation of any rule or general order of the Oregon Health Authority that pertains to
33 a hospice program.

34 [(3)] (C) Violation of any final order of the director that pertains specifically to a hospice pro-
35 gram owned or operated by the person incurring the penalty.

36 [(4)] (D) Violation of ORS 443.860 or of rules adopted under ORS 443.860.

37 (b) **The director may impose a civil penalty of up to \$50,000 for operating a hospice pro-**
38 **gram without a valid certificate of need, in violation of section 2 of this 2025 Act.**

39 [(5)] (2) Civil penalties under this section shall be imposed in the manner provided by ORS
40 183.745.

41 [(6)] (3) All penalties recovered under this section shall be paid into the State Treasury and
42 credited to the General Fund and are available for general governmental expenses.

43 **SECTION 5. (1) Section 2 of this 2025 Act and the amendments to ORS 443.864 and 443.869**
44 **by sections 3 and 4 of this 2025 Act become operative on January 1, 2027.**

45 (2) The Oregon Health Authority may take any action before the operative date specified

1 in subsection (1) of this section that is necessary to enable the authority to exercise, on and
2 after the operative date specified in subsection (1) of this section, all of the duties, functions
3 and powers conferred on the authority by section 2 of this 2025 Act and the amendments to
4 ORS 443.864 and 443.869 by sections 3 and 4 of this 2025 Act.

5 **SECTION 6.** This 2025 Act being necessary for the immediate preservation of the public
6 peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect
7 on its passage.
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