

# Senate Bill 1162

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 **as introduced**. 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

1  
2 Relating to certificates of need for hospice programs; creating new provisions; amending ORS  
3 443.864 and 443.869; and declaring an emergency.

4 Whereas Oregonians have an interest in ensuring the equitable distribution, quality and finan-  
5 cial sustainability of hospice services across this state; and

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

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

11 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS 443.850 to**  
12 **443.869.**

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

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

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

21 **(a) A description of the proposed project;**

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

23 **(c) Financial projections and sustainability plans; and**

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

25 **(4) An applicant for a certificate of need under this section shall pay a fee as prescribed**  
26 **by the authority. Fees prescribed under this section may not exceed the cost of administer-**  
27 **ing this section.**

28 **(5) The authority shall evaluate applications for a certificate of need under this section**

**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 based on the following criteria:

- 2 (a) Community need for additional hospice services;
- 3 (b) Accessibility of hospice services for underserved populations;
- 4 (c) Cost-effectiveness and financial viability; and
- 5 (d) Quality standards and compliance with state and federal laws and regulations.

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

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

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

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

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

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

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

20 443.864. The Oregon Health Authority may suspend, revoke or refuse to renew the license of a  
21 hospice program for failure to comply with ORS 443.860 or section 2 of this 2025 Act or with rules  
22 adopted pursuant to ORS 443.860.

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

24 443.869. (1)(a) In addition to any other liability or penalty provided by law, the Director of the  
25 Oregon Health Authority may impose a civil penalty of \$1,000 per day, up to \$10,000 in any 30-day  
26 period, for any of the following:

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

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

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

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

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

36 [(5)] (2) Civil penalties under this section shall be imposed in the manner provided by ORS  
37 183.745.

38 [(6)] (3) All penalties recovered under this section shall be paid into the State Treasury and  
39 credited to the General Fund and are available for general governmental expenses.

40 **SECTION 5.** (1) Section 2 of this 2025 Act and the amendments to ORS 443.864 and 443.869  
41 by sections 3 and 4 of this 2025 Act become operative on January 1, 2026.

42 (2) The Oregon Health Authority may take any action before the operative date specified  
43 in subsection (1) of this section that is necessary to enable the authority to exercise, on and  
44 after the operative date specified in subsection (1) of this section, all of the duties, functions  
45 and powers conferred on the authority by section 2 of this 2025 Act and the amendments to

1 **ORS 443.864 and 443.869 by sections 3 and 4 of this 2025 Act.**

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

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