

SB 1575 A STAFF MEASURE SUMMARY

House Committee On Rules

Prepared By: Daniel Dietz

Meeting Dates: 3/2

WHAT THE MEASURE DOES:

The measure temporarily prohibits the Oregon Health Authority (OHA) from issuing new hospice licenses pending rulemaking for new licensure review requirements, to be completed within 24 months. It provides exceptions for existing licensees expanding into new service areas, licensed health care or long-term care providers adding hospice for current patients, and applicants serving underserved areas or populations. The measure declares an emergency, effective on its passage.

Detailed Summary:

Defines an “applicant” for a hospice license to include entities managed by a proposed administrator and/or medical director, and entities in which the proposed owner holds an ownership interest of 5 percent or more. Requires applicants to disclose any license suspensions or revocations related to hospice or health care, findings or settlements related to health care fraud or abuse, and exclusions from Medicare, Medicaid, or other federal or state health care programs.

Directs OHA, by rule, to establish initial licensure review requirements that do the following:

- Require criminal background checks for the proposed administrator and medical director, and anyone with an ownership interest of 5 percent or more
- Require programs operating in Oregon or other states to submit results from consumer assessment surveys administered by the Centers for Medicare & Medicaid Services
- Allow OHA to require the applicant to provide their performance history, including past survey results for the hospice program applying for the license, a person holding a 5 percent or greater ownership interest, or the medical director or administrator of the program
- Specify circumstances when OHA may deny an application for an initial license, based on the severity or frequency of the applicant’s negative performance history, and including when the applicant provides inaccurate information, and specify that individuals excluded from Medicare/Medicaid or found liable for health care fraud may not hold an ownership interest
- Allow OHA to accept certification by a federal agency or accreditation by an accrediting organization, when specified criteria are met, as evidence of compliance with requirements for the purpose of license renewal

Directs OHA to collect fees for initial and renewal license applications, not to exceed the costs of administering the program. Bases fee structure to be established by rule on factors such as annual patient census, total revenue, and the cost of completing the criminal records checks. Defines a license as valid for one year.

SENATE VOTE: Ayes, 19; Nays, 8

Fiscal impact: Minimal fiscal impact

Revenue impact: No revenue impact

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

This summary has not been adopted or officially endorsed by action of the committee.

Hospice providers offer comprehensive, interdisciplinary support focused on comfort and quality of life for individuals with terminal illnesses. Services typically include physician and nursing care, pain and symptom management, medical equipment and supplies, physical therapy, and spiritual or grief counseling. Currently, applications for hospice licenses are reviewed by the [Health Facility Licensing and Certification \(HFLC\) Program](#), housed within OHA's Health Care Regulation and Quality Improvement Program, which reviews applications to ensure compliance with federal regulations, state laws, and administrative rules. Oregon's application requires basic ownership information and administrator qualifications but does not require criminal background checks at the application stage, detailed management disclosures, or financial documentation (see [ORS 443.850-443.869](#) and [OAR Chapter 333, Division 035](#)).

Reports of fraud and abuse in hospice programs in other states have led to increased federal oversight. In 2023, the Centers for Medicare & Medicaid Services [imposed enhanced oversight](#) on states including Arizona, California, Nevada, and Texas. Some states have adopted their own enhanced screening measures; for example, in California, applications for hospice programs may be denied based on the history of proposed applications or for misrepresentation in the licensure application.