

## CHAPTER 113

AN ACT

SB 1585

Relating to state finance; creating new provisions; amending ORS 678.415 and 678.417 and section 24, chapter 736, Oregon Laws 2003; and declaring an emergency.

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

**SECTION 1.** ORS 678.415 is amended to read:

678.415. (1) The Oregon State Board of Nursing shall impose an additional \$9 fee for each examination fee, **each license by indorsement fee** and each license renewal fee charged under ORS 678.410 for a registered nurse or a licensed practical nurse for the purposes specified in subsection (2) of this section.

(2) The additional fees imposed on examination fees, **license by indorsement fees** and license renewals by subsection (1) of this section shall be credited to the Oregon Nursing Advancement Fund established by ORS 678.417.

**SECTION 2.** ORS 678.417 is amended to read:

678.417. (1) The Oregon Nursing Advancement Fund is established separate and distinct from the General Fund. Interest earned by the Oregon Nursing Advancement Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Oregon State Board of Nursing to be used as specified in subsection (2) of this section.

(2) The principal amount accrued in the fund shall be remitted *[once per year]* **quarterly** on *[a date]* **dates** established by rule of the Oregon State Board of Nursing to an Oregon nonprofit organization, **exempt from taxation under section 501 (c)(3) of the Internal Revenue Code**, that:

(a) Works to advance the profession of nursing in this state through research, leadership development, educational support and advocacy for nursing;

(b) Conducts research studies on the nursing workforce in this state, including projected supply and demand of nurses and workforce shortages in nursing education and practice;

(c) Distributes information free of charge about the nursing workforce in this state to residents of this state; and

(d) Convenes nursing organizations to address issues and recommendations identified through nursing workforce research.

**SECTION 3.** Section 24, chapter 736, Oregon Laws 2003, as amended by section 11, chapter 757, Oregon Laws 2005, section 12, chapter 780, Oregon Laws 2007, and section 20, chapter 608, Oregon Laws 2013, is amended to read:

**Sec. 24.** (1) The Long Term Care Facility Quality Assurance Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Long Term Care Facility Quality Assurance Fund shall be credited to the fund.

(2) Amounts in the Long Term Care Facility Quality Assurance Fund are continuously appropriated to the Department of Human Services for the purposes of paying refunds due under section 20, chapter 736, Oregon Laws 2003, and funding long term care facilities, as defined in section 15, chapter 736, Oregon Laws 2003, that are a part of the Oregon Medicaid reimbursement system.

(3) Funds in the Long Term Care Facility Quality Assurance Fund and the matching federal financial participation under Title XIX of the Social Security Act may be used to fund Medicaid-certified long term care facilities using only the reimbursement methodology described in subsections (4) and (5) of this section to achieve a rate of reimbursement greater than the rate in effect on June 30, 2003.

(4) The reimbursement methodology used to make additional payments to Medicaid-certified long term care facilities includes but is not limited to:

(a) Rebasing on July 1 of each year;

(b) Continuing the use of the pediatric rate;

(c) Continuing the use of the complex medical needs additional payment; and

(d) Discontinuing the use of the relationship percentage, except when calculating the pediatric rate in paragraph (b) of this subsection.

(5)(a) In addition to the reimbursement methodology described in subsection (4) of this section, the department may:

(A) Make additional payments of \$9.75 per resident who receives medical assistance to a long term care facility that *[purchased]* **submits to the department an acquisition plan to purchase** long term care bed capacity under *[section 15 of this 2013 Act]* **section 15, chapter 608, Oregon Laws 2013**, on or after October 1, 2013, and on or before *[December 31, 2015]* **June 30, 2016**. The payments may be made for a period of four years from the date **when the department approves an acquisition plan to** *[of]* **purchase long term care bed capacity under section 15, chapter 608, Oregon Laws 2013**. The department may not make additional payments under this section until the Medicaid-certified long term care facility is found by the department to meet quality standards adopted by the department by rule.

(B) **Establish a separate pediatric subacute reimbursement rate for pediatric services that are in excess of services customarily provided by pediatric nursing facilities.**

(b) **The department may adopt rules relating to the submission and approval of acquisition plans to purchase long term care bed capacity and the verification of bed capacity purchases.**

(6)(a) The department shall reimburse costs using the methodology described in subsections (4) and (5) of this section at a rate not lower than a percentile of allowable costs for the period for which the reimbursement is made.

(b) For the period beginning July 1, 2013, and ending June 30, 2016, the department shall reimburse costs at a rate not lower than the 63rd percentile of rebased allowable costs for that period.

(c) For each three-month period beginning on or after July 1, 2016, in which the reduction in bed capacity in Medicaid-certified long term care facilities is less than the goal established in [section 15 of this 2013 Act] **section 15, chapter 608, Oregon Laws 2013**, the department shall reimburse costs at a rate not lower than the percentile of allowable costs according to the following schedule:

(A) 62nd percentile for a reduction of 1,350 or more beds.

(B) 61st percentile for a reduction of 1,200 or more beds but less than 1,350 beds.

(C) 60th percentile for a reduction of 1,050 or more beds but less than 1,200 beds.

(D) 59th percentile for a reduction of 900 or more beds but less than 1,050 beds.

(E) 58th percentile for a reduction of 750 or more beds but less than 900 beds.

(F) 57th percentile for a reduction of 600 or more beds but less than 750 beds.

(G) 56th percentile for a reduction of 450 or more beds but less than 600 beds.

(H) 55th percentile for a reduction of 300 or more beds but less than 450 beds.

(I) 54th percentile for a reduction of 150 or more beds but less than 300 beds.

(J) 53rd percentile for a reduction of 1 to 49 beds.

(7) A reduction in the percentile of allowable costs reimbursed under subsection (6) of this section is not subject to ORS 410.555.

**SECTION 4. The amendments to ORS 678.415 by section 1 of this 2016 Act apply to examinations administered, licenses by indorsement issued and licensure renewals on or after the effective date of this 2016 Act.**

**SECTION 5. This 2016 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect on its passage.**

Approved by the Governor April 4, 2016

Filed in the office of Secretary of State April 4, 2016

Effective date April 4, 2016