

CHAPTER 623

AN ACT

SB 842

Relating to health care facilities; creating new provisions; amending ORS 441.020, 441.044 and 441.062; repealing ORS 441.021; and prescribing an effective date.

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

SECTION 1. ORS 441.020 is amended to read:

441.020. (1) Licenses for health care facilities, except long term care facilities as defined in ORS 442.015, must be obtained from the Oregon Health Authority.

(2) Licenses for long term care facilities must be obtained from the Department of Human Services.

(3) Applications shall be upon such forms and shall contain such information as the authority or the department may reasonably require, which may include affirmative evidence of ability to comply with such reasonable standards and rules as may lawfully be prescribed under ORS 441.025.

(4)(a) Each application submitted to the Oregon Health Authority must be accompanied by the license fee. If the license is denied, the fee shall be refunded to the applicant. If the license is issued, the fee shall be paid into the State Treasury to the credit of the Oregon Health Authority Fund for the purpose of carrying out the functions of the Oregon Health Authority under and enforcing ORS 441.015 to 441.119, 441.761 to 441.795 and 441.993; or

(b) Each application submitted to the Department of Human Services must be accompanied by the application fee or the annual renewal fee, as applicable. If the license is denied, the fee shall be refunded to the applicant. If the license is issued, the fee shall be paid into the State Treasury to the credit of the Department of Human Services Account for the purpose of carrying out the functions of the Department of Human Services under and enforcing ORS 431A.050 to 431A.080, 441.015 to 441.119 and 441.993.

(5) Except as otherwise provided in subsection (8) of this section, for hospitals with:

[(a) Fewer than 26 beds, the annual license fee shall be \$1,250.]

[(b) Twenty-six beds or more but fewer than 50 beds, the annual license fee shall be \$1,850.]

[(c) Fifty or more beds but fewer than 100 beds, the annual license fee shall be \$3,800.]

[(d) One hundred beds or more but fewer than 200 beds, the annual license fee shall be \$6,525.]

[(e) Two hundred or more beds, but fewer than 500 beds, the annual license fee shall be \$8,500.]

[(f) Five hundred or more beds, the annual license fee shall be \$12,070.]

[(6) A hospital shall pay an annual fee of \$750 for each hospital satellite indorsed under the hospital's license.]

(a) Fewer than 26 beds, the annual license fee shall be \$5,000.

(b) Twenty-six beds or more but fewer than 50 beds, the annual license fee shall be \$7,400.

(c) Fifty or more beds but fewer than 100 beds, the annual license fee shall be \$13,800.

(d) One hundred beds or more but fewer than 200 beds, the annual license fee shall be \$26,100.

(e) Two hundred or more beds, but fewer than 500 beds, the annual license fee shall be \$34,000.

(f) Five hundred or more beds, the annual license fee shall be \$48,280.

(6) A hospital shall pay an annual fee of \$3,000 for each hospital satellite indorsed under the hospital's license.

(7) The authority may charge a reduced hospital fee or hospital satellite fee if the authority determines that charging the standard fee constitutes a significant financial burden to the facility.

(8) For long term care facilities with:

(a) One to 15 beds, the application fee shall be \$2,000 and the annual renewal fee shall be \$1,000.

(b) Sixteen to 49 beds, the application fee shall be \$3,000 and the annual renewal fee shall be \$1,500.

(c) Fifty to 99 beds, the application fee shall be \$4,000 and the annual renewal fee shall be \$2,000.

(d) One hundred to 150 beds, the application fee shall be \$5,000 and the annual renewal fee shall be \$2,500.

(e) More than 150 beds, the application fee shall be \$6,000 and the annual renewal fee shall be \$3,000.

(9) For ambulatory surgical centers, the annual license fee shall be:

(a) \$1,750 for certified and high complexity non-certified ambulatory surgical centers with more than two procedure rooms.

(b) \$1,250 for certified and high complexity non-certified ambulatory surgical centers with no more than two procedure rooms.

(c) \$1,000 for moderate complexity noncertified ambulatory surgical centers.

(10) For birthing centers, the annual license fee shall be \$750.

(11) For outpatient renal dialysis facilities, the annual license fee shall be \$2,000.

(12) The authority shall prescribe by rule the fee for licensing an extended stay center, not to exceed:

(a) An application fee of \$25,000; and

(b) An annual renewal fee of \$5,000.

(13) The authority may assess a late fee not to exceed \$1,250 for a hospital that fails to pay a renewal license fee required under this section. The late fee shall be added to the required renewal license fee and must be paid by the health care facility before the authority may renew the license.

[(13)] (14) During the time the licenses remain in force, holders are not required to pay inspection fees to any county, city or other municipality.

[(14)] (15) Any health care facility license may be indorsed to permit operation at more than one location. If so, the applicable license fee shall be the sum of the license fees that would be applicable if

each location were separately licensed. The authority may include hospital satellites on a hospital's license in accordance with rules adopted by the authority.

[(15)] **(16)** Licenses for health maintenance organizations shall be obtained from the Director of the Department of Consumer and Business Services pursuant to ORS 731.072.

[(16)] **(17)** Notwithstanding subsection (4) of this section, all moneys received for approved applications pursuant to subsection (8) of this section shall be deposited in the Quality Care Fund established in ORS 443.001.

[(17)] **(18)** As used in this section:

(a) "Hospital satellite" has the meaning prescribed by the authority by rule.

(b) "Procedure room" means a room where surgery or invasive procedures are performed.

SECTION 2. ORS 441.020, as amended by section 42, chapter 32, Oregon Laws 2024, is amended to read:

441.020. (1) Licenses for health care facilities, except long term care facilities as defined in ORS 442.015, must be obtained from the Oregon Health Authority.

(2) Licenses for long term care facilities must be obtained from the Department of Human Services.

(3) Applications shall be upon such forms and shall contain such information as the authority or the department may reasonably require, which may include affirmative evidence of ability to comply with such reasonable standards and rules as may lawfully be prescribed under ORS 441.025.

(4)(a) Each application submitted to the Oregon Health Authority must be accompanied by the license fee. If the license is denied, the fee shall be refunded to the applicant. If the license is issued, the fee shall be paid into the State Treasury to the credit of the Oregon Health Authority Fund for the purpose of carrying out the functions of the Oregon Health Authority under and enforcing ORS 441.015 to 441.119, 441.761 to 441.795 and 441.993; or

(b) Each application submitted to the Department of Human Services must be accompanied by the application fee or the annual renewal fee, as applicable. If the license is denied, the fee shall be refunded to the applicant. If the license is issued, the fee shall be paid into the State Treasury to the credit of the Department of Human Services Account for the purpose of carrying out the functions of the Department of Human Services under and enforcing ORS 441.015 to 441.119 and 441.993.

(5) Except as otherwise provided in subsection (8) of this section, for hospitals with:

[(a) Fewer than 26 beds, the annual license fee shall be \$1,250.]

[(b) Twenty-six beds or more but fewer than 50 beds, the annual license fee shall be \$1,850.]

[(c) Fifty or more beds but fewer than 100 beds, the annual license fee shall be \$3,800.]

[(d) One hundred beds or more but fewer than 200 beds, the annual license fee shall be \$6,525.]

[(e) Two hundred or more beds, but fewer than 500 beds, the annual license fee shall be \$8,500.]

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(9) For ambulatory surgical centers, the annual license fee shall be:

(a) \$1,750 for certified and high complexity non-certified ambulatory surgical centers with more than two procedure rooms.

(b) \$1,250 for certified and high complexity non-certified ambulatory surgical centers with no more than two procedure rooms.

(c) \$1,000 for moderate complexity noncertified ambulatory surgical centers.

(10) For birthing centers, the annual license fee shall be \$750.

(11) For outpatient renal dialysis facilities, the annual license fee shall be \$2,000.

(12) The authority shall prescribe by rule the fee for licensing an extended stay center, not to exceed:

(a) An application fee of \$25,000; and

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(13) The authority may assess a late fee not to exceed \$1,250 for a hospital that fails to pay a renewal license fee required under this section. The late fee shall be added to the required renewal license fee and must be paid by the

health care facility before the authority may renew the license.

[(13)] (14) During the time the licenses remain in force, holders are not required to pay inspection fees to any county, city or other municipality.

[(14)] (15) Any health care facility license may be indorsed to permit operation at more than one location. If so, the applicable license fee shall be the sum of the license fees that would be applicable if each location were separately licensed. The authority may include hospital satellites on a hospital's license in accordance with rules adopted by the authority.

[(15)] (16) Licenses for health maintenance organizations shall be obtained from the Director of the Department of Consumer and Business Services pursuant to ORS 731.072.

[(16)] (17) Notwithstanding subsection (4) of this section, all moneys received for approved applications pursuant to subsection (8) of this section shall be deposited in the Quality Care Fund established in ORS 443.001.

[(17)] (18) As used in this section:

(a) "Hospital satellite" has the meaning prescribed by the authority by rule.

(b) "Procedure room" means a room where surgery or invasive procedures are performed.

SECTION 3. ORS 441.044 is amended to read:

441.044. (1) Rules adopted pursuant to ORS 441.025 shall include procedures for the filing of complaints as to the standard of care in any health care facility and provide for the confidentiality of the identity of any complainant.

(2) A health care facility, or person acting in the interest of the facility, may not take any disciplinary or other adverse action against any employee who in good faith brings evidence of inappropriate care or any other violation of law or rules to the attention of the proper authority solely because of the employee's action as described in this subsection.

(3) Any employee who has knowledge of inappropriate care or any other violation of law or rules shall utilize established reporting procedures of the health care facility administration before notifying the Department of Human Services, Oregon Health Authority or other state agency of the alleged violation, unless the employee believes that patient health or safety is in immediate jeopardy or the employee makes the report to the department or the authority under the confidentiality provisions of subsection (1) of this section.

(4) The protection of health care facility employees under subsection (2) of this section shall commence with the reporting of the alleged violation by the employee to the administration of the health care facility or to the department, authority or other state agency pursuant to subsection (3) of this section.

(5) Any person suffering loss or damage due to any violation of subsection (2) of this section has a right of action for damages in addition to other appropriate remedy.

[(6)] *The provisions of this section do not apply to a nursing staff, as defined in ORS 441.179, who claims to be aggrieved by a violation of ORS 441.181 committed by a hospital.*

[(7)] (6) Information obtained by the department or the authority during an **intake, triage or** investigation of a complaint or reported violation under this section is confidential and not subject to public disclosure under ORS 192.311 to 192.478. Upon the conclusion of the investigation, the department or the authority may publicly release a report of the department's or the authority's findings but may not include information in the report that could be used to identify the complainant or any patient at the health care facility. The department or the authority may use any information obtained during an investigation in an administrative or judicial proceeding concerning the licensing of a health care facility, and may report information obtained during an investigation to a health professional regulatory board as defined in ORS 676.160, the Long Term Care Administrators Board, the Board of Licensed Dietitians or the Behavior Analysis Regulatory Board as that information pertains to a licensee of the board.

SECTION 4. ORS 441.062 is amended to read:

441.062. (1) In conducting inspections for the purpose of licensing health care facilities under ORS 441.020, the Oregon Health Authority and the Department of Human Services shall avoid unnecessary facility disruption by coordinating inspections performed by the authority or the department with inspections performed by other federal, state and local agencies that have responsibility for health care facility licensure.

(2) Whenever possible, the authority and the department shall avoid duplication of inspections by accepting inspection reports or surveys prepared by other state agencies that have responsibility for health care facility licensure for purposes of the inspection required for licensure.

(3) In lieu of an in-person site inspection as required by ORS 441.025 and 441.060, the authority or the department may accept a certification or accreditation from a federal agency or an accrediting body approved by the authority or the department that the state licensing standards have been met, if:

(a) The certification or accreditation is recognized by the authority or the department as addressing the standards and condition of participation requirements of the Centers for Medicare and Medicaid Services and other standards set by the authority or the department;

(b) The health care facility notifies the authority or the department to participate in any exit interview conducted by the federal agency or accrediting body; and

(c)(A) **The health care facility provides copies of summary documentation from the federal agency or accrediting body concerning the certification or accreditation to the authority within 30 days following the receipt of summary**

documentation from the federal agency or accrediting body; or

(B) The health care facility provides copies of all documentation concerning the certification or accreditation requested by *[the authority or]* the department.

(4) The authority and the department shall adopt rules necessary to implement this section.

SECTION 5. ORS 441.021 is repealed.

SECTION 6. Notwithstanding any other provision of law, the General Fund appropriation

made to the Oregon Health Authority by section 1 (5), chapter 587, Oregon Laws 2025 (Enrolled House Bill 5025), for the biennium beginning July 1, 2025, for Oregon State Hospital, is increased by \$63,860, for the payment of increased hospital licensing fees.

SECTION 7. This 2025 Act takes effect on October 1, 2025.

Approved by the Governor July 31, 2025

Filed in the office of Secretary of State August 7, 2025

Effective date October 1, 2025
