

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT
A Notice of Proposed Rulemaking Hearing accompanies this form.

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Oregon Health Authority, Public Health Division
Agency and Division

333
Administrative Rules Chapter Number

Hospital Emergency Department Classification and Enforcement

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

Amending administrative rules in chapter 333, division 500 pertaining to hospital classification and chapter 333, division 501 pertaining to enforcement and violations and civil penalties.

Statutory Authority:

ORS 441.025

Other Authority:

Statutes Implemented:

ORS 441.015, 441.025, 441.030, 441.057 and 441.990

Need for the Rule(s):

The proposed amendments are in response to concerns from stakeholders presented to the Oregon Health Authority about Oregonians' at risk by seeking emergency, lifesaving treatment in care settings and facilities where these services are not available. Such medical facilities advertising to offer emergency services and emergency room doctors is a patient safety and public health issue and may result in patients being turned away due to inability to pay, delays in needed care for life threatening medical conditions, poor health outcomes, and increased costs to patients, their families and to the health care system. As technology advances and the health care system innovates, such as when urgent care clinics offer more advanced services, the Oregon Health Authority must consider how patients understand where to seek appropriate care for life-threatening medical conditions such as heart attacks, strokes, severe traumas and other very serious conditions. Based on a survey designed to assess public understanding of emergency care and urgent care and the effect of advertising on public choices for care conducted in January 2016, Oregonians' overestimate the level of services available at an urgent care center and would seek care for very serious symptoms in urgent care settings.

Documents Relied Upon, and where they are available:

Oregon Revised Statutes, chapter 441: https://www.oregonlegislature.gov/bills_laws/ors/ors441.html
OHA: Emergency Room & Urgent Care Perceptions Online Survey: available from the agency upon request.

Fiscal and Economic Impact:

The Oregon Health Authority, Public Health Division is responsible for the licensing of hospitals. There are 59 licensed acute care hospitals in the state of Oregon each of which are required to have an emergency department and comply with rules relating to offering emergency services. There are approximately 149 urgent care centers in Oregon, some of which may be directly impacted based on the proposed rules. Urgent care centers are not licensed in the state of Oregon.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

The OHA-Public Health Division will be impacted due to possible complaint investigations that an urgent care center is offering or inferring that emergency conditions can be treated and is out of compliance with the proposed rules. It is possible that consumers and insurers may experience increased costs associated with additional services. There is no known impact on units of local government.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:

There are no hospitals that can be considered a small business in Oregon. It is expected that at least half (75) of the urgent care centers in Oregon are considered a small business. If an urgent care center is required to change its business name and advertising based on this rule, it is estimated that costs related to signage, updating website, notifying and updating insurances and tax entities, replacing office supplies and other promotional items could be as high as \$25,000.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

It is not expected that urgent care centers will see a change in any projected reporting or record keeping. Professional services may need to be retained if used for website edits, new branding, etc. There may be increased costs relating to business licensing and credentialing if an urgent care center is required to change its business name.

c. Equipment, supplies, labor and increased administration required for compliance:

Urgent care centers may need to change equipment (building signs), reprint supplies (e.g. stationary, brochures, websites, etc.) in order to comply with the proposed rules.

How were small businesses involved in the development of this rule?

A variety of urgent care centers were invited to participate in the RAC.

Administrative Rule Advisory Committee consulted?: Yes

If not, why?:

<u>09-22-2016 5:00 p.m.</u>	<u>Tracy Candela</u>	<u>tracy.candela@state.or.us</u>
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address