

DATE: December 9, 2025

TO: Hearing Attendees and Commenters –
Oregon Administrative Rules chapter 333, divisions 71, 500, 501, 503
– "Changes to hospital licensing fees, investigations, surveys, and
staffing requirements due to 2025 legislation"

FROM: Brittany Hall, Hearing Officer and Administrative Rules Coordinator

cc: Dana Selover, Section Manager
Health Care Regulation and Quality Improvement

SUBJECT: Presiding Hearing Officer's Report on Rulemaking Hearing and Public
Comment Period

Hearing Officer Report

Date of Hearing: November 19, 2025, via Microsoft Teams

Purpose of Hearing: The purpose of this hearing was to receive testimony regarding the Oregon Health Authority (OHA), Public Health Division, Health Care Regulation and Quality Improvement section's proposed permanent amendments and repeal of Oregon Administrative Rules in chapter 333, divisions 71, 500, 501 and 503 to implement changes due to passage of [SB 842](#) (2025 OL chapter 623) and [HB 3294](#) (2025 OL chapter 506). These rules address the following changes due to passage of these measures:

- Removes definition for the term 'full compliance survey' that is only used in rules that are being repealed.
- Amends hospital licensing fees and adds a late fee for failing to submit the license renewal application and fee before December 1 of each year. (Per ORS 442.015, a hospital is defined to include a special inpatient care facility as defined by the OHA in rule.)

- Removes language that allows the OHA to charge separate fees for complaint investigations and compliance surveys.
- Clarifies that information received during the receipt and review of a complaint prior to or in lieu of an investigation is confidential.
- Removes hospital staffing enforcement language allowing OHA to determine violations and issue warnings and civil penalties in accordance with ORS 441.792.

Hearing Officer: Brittany Hall

Testimony Received: One individual provided testimony at the hearing.

Other Comments: Five individuals or organizations submitted written comments to OHA within the period allotted for public comment, which closed at 5:00 PM on November 21, 2025. Written comments are attached to this report as **EXHIBIT 1**.

In oral testimony and written comments OHA heard opposition to hospice inpatient units being categorized as special inpatient care facilities (SICFs), the same way that small hospitals with up to 26 beds are categorized. Testimony and written comments state that “Hospice Inpatient Units should have their own category or be categorized with Oregon’s home hospice program licensure fees.” Testimony and written comments noted that SB 842 does not mention “SICF” or “hospice” specifically, and only refers to “hospitals.” Testimony and written comments opine that it is OHA’s “choice to put Hospice Houses/SICFs in the same category with ‘Hospitals’ for purposes of this proposed rulemaking and increase in licensure fees.”

Agency response: The Oregon Health Authority (OHA), Public Health Division, Health Care Regulation and Quality Improvement Program thanks respondents for their feedback on the proposed rules. Since 1971, Oregon Revised Statutes (ORS) chapter 441 defined a “health care facility” to include both hospitals and special inpatient care facilities, requiring identical licensing fees based on bed count for both types of facilities. In 1977, these definitions were relocated to ORS chapter 442. A decade later, in 1987, the Oregon Legislature refined the definition of “hospital” to encompass special inpatient care facilities. Two years later, in 1989,

freestanding hospice facilities were formally classified as special inpatient care facilities in OAR chapter 333, division 071. Since that time, licensing fees for freestanding hospice facilities have been the same as hospital licensing fees as well as Certificate of Need requirements, Hospital Staffing laws, and other hospital-specific regulations.

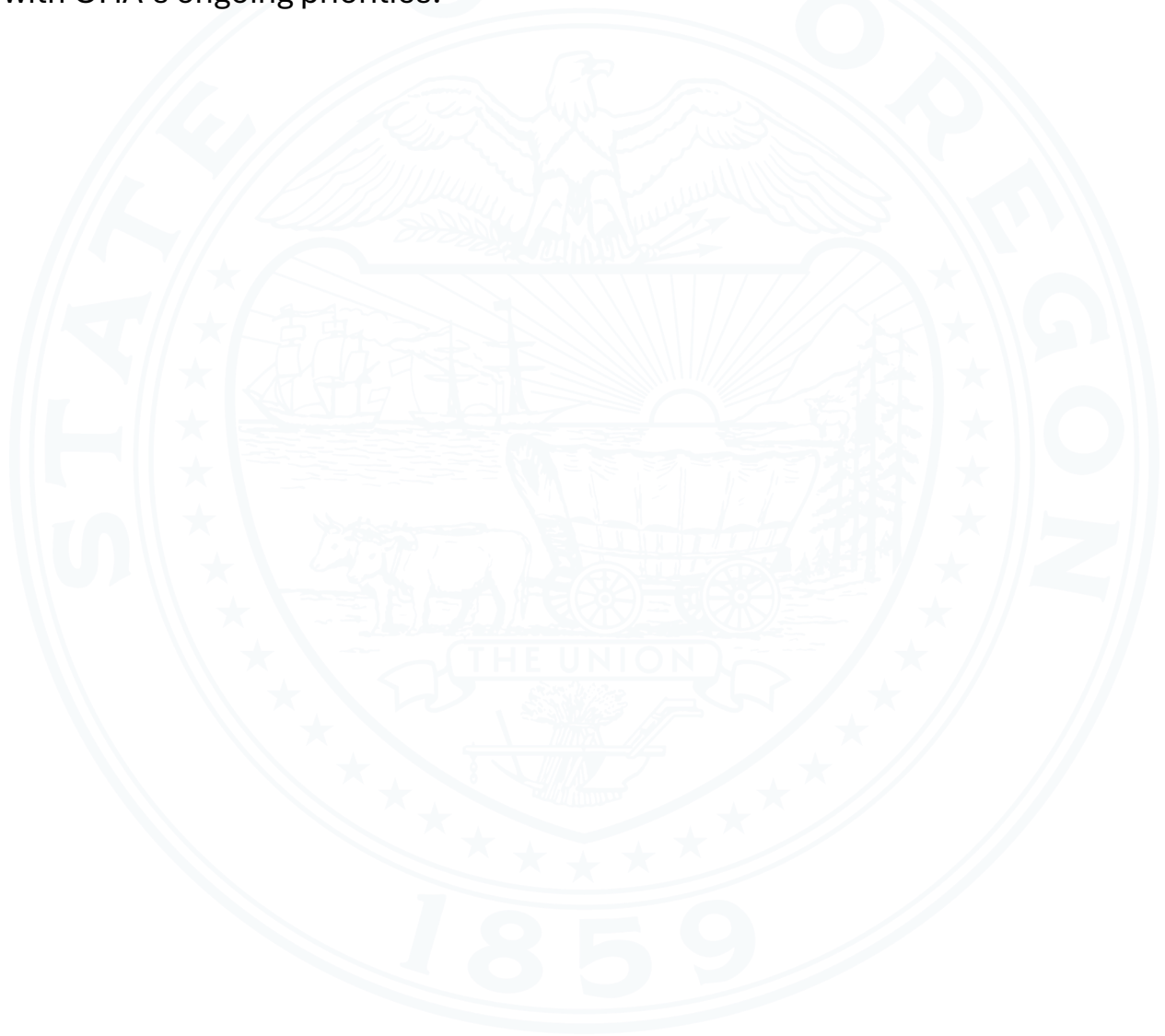
The OHA recognizes that in 2009, legislation was passed requiring a hospice program to be licensed by the OHA, and given federal Centers for Medicare and Medicaid Services requirements, a special inpatient care facility is licensed under ORS chapter 441, and the hospice's outpatient services are licensed under ORS chapter 443. While the OHA is unable to eliminate or reduce the licensing fees established due to passage of SB 842 ([2025 Oregon Laws chapter 623](#)), the OHA is committed to exploring future statutory solutions to address the inpatient hospice challenges raised in testimony.

In oral testimony and written comments OHA heard opposition to the annual licensing fee increase for hospice houses/special inpatient care facilities (SICFs) from \$1250 to \$5000 per year, representing a 400% increase. Testimony and written comments noted that "SICF Hospice Houses do not experience the potential revenues that hospitals with up to 26 beds may experience" due their smaller bed size and therefore should not be categorized the same way for the purposes of the annual licensing fee increase.

Agency response: As stated previously, Oregon Revised Statutes have defined a hospital to include special inpatient care facilities. The OHA is committed to exploring future statutory solutions to address the inpatient hospice challenges raised in testimony.

Written comments stated that the rules reflect the legislative decision to increase hospitals' licensing fees to support the work of OHA. Written comments also "encourage OHA to identify opportunities within the agency to reduce inefficiencies, promote access to care, and make oversight more responsive to evolving patient and system needs."

Agency response: The OHA appreciates the feedback provided and remains committed to continuous improvement in fulfilling its responsibilities. OHA will continue to have its [mission, vision, and core values](#) at the forefront as it assesses opportunities for improvement. Written comments encouraging the agency to identify opportunities to reduce inefficiencies, promote access to care, and make oversight more responsive to evolving patient and system needs are well aligned with OHA's ongoing priorities.



From: [Rachel Miller](#)
To: [Public Health Rules](#)
Cc: [Travis Brooke](#)
Subject: Notice of Proposed Permanent Rulemaking: OAR chapter 333, divisions 71, 500, 501, 503
Date: Monday, November 17, 2025 2:19:05 PM
Attachments: [Outlook-zrq25to2](#)

You don't often get email from [REDACTED] [Learn why this is important](#)

Think twice before clicking on links or opening attachments. This email came from outside our organization and might not be safe. If you are not expecting an attachment, contact the sender before opening it.

To Whom it May Concern,

On behalf of the Pete Moore Hospice House Special Inpatient Care Facility, we would like to offer our written testimony in opposition to the proposed licensing fee increase in the amount of \$5000. This is a 400% increase over the licensing fees we have paid since our Hospice House opened in 2017. The Pete Moore Hospice House had over five hundred thousand dollars in losses in 2024. Having this added expense would just make matters worse. SICF Hospice Houses do not experience the potential revenues that hospitals with up to 26 beds may experience. Please consider lowering the licensing fees for SICF Hospice Houses in consideration of our very limited revenues.

Respectfully,

Rachel Miller, RN
CQI Coordinator

 Rachel Miller, RN (she, her, hers)
[Cascade Health](#) | CQI Coordinator

[REDACTED] | fax: [REDACTED]

2650 Suzanne Way, Eugene, Oregon 97408

Relator* Learner* Deliberative* Individualization* Intellection



November 19th, 2025

OHA - Public Health Division
Brittany Hall, Administrative Rules Coordinator
800 NE Oregon St. Suite 930
Portland, OR 97232

Re: Notice of Proposed Permanent Rulemaking: OAR chapter 333, divisions 71, 500, 501, 503 – "Changes to hospital licensing fees, investigations, surveys, and staffing requirements due to 2025 legislation"

Dear Ms. Hall:

I submit my comments as testimony in opposition to the proposed rules regarding the licensing fees for Special Inpatient Care Facilities (SICFs). Oregon's 3 Hospice Inpatient Units are licensed under the SICF Division 71 rules. The 3 Hospice SICFs have been placed in the same category as small hospitals that may have up to 26 beds. I submit that Oregon's 3 Hospice House/SICFs should **not** be put in the same category as small hospitals. Instead, the Hospice Inpatient Units should have their own category or be categorized with Oregon's home hospice program licensure fees. The annual licensing fee for a Hospice House/SICF should **not** increase from \$1250 per year to \$5000 per year.

I provide the following rationale for why I strongly oppose this massive increase in the licensing fee for Oregon's three Hospice Houses:

- SICFs have fewer beds than small hospitals. The Pete Moore Hospice House in Eugene has 14 beds. Both the Partners in Care Hospice House in Bend and the Samaritan Evergreen Hospice's SICF in Albany each have 12 beds. There is much less revenue generated from a 12 or 14-bed Hospice House/SICF than from a 26-bed hospital.
 - In 2023 the average expenses per inpatient hospital day in Oregon were \$4178. (2023 is the latest data I could find on expense per hospital day in Oregon.)
 - I know expense does not equal reimbursement. The state of Oregon in 2021 set a 3.4% limit on how much organizations – hospitals, insurance companies and medical groups – can increase their per-person spending on patient care.
 - Presumably, a hospital could have then charged 3.4% more than the \$4178 hospital expense figure per day in 2023. The charged amount could also have been higher if the hospital could provide justification for exceeding the 3.4% limit.
 - Meanwhile, in 2023 the CMS Medicare allowed reimbursement was \$1,110.76 per day for the "General Inpatient" level of care and it was \$567.42 per day for the "Inpatient Respite" level of care. Hospices are not allowed by CMS to charge more than the rate set by Medicare for their

geographic area's wage index.

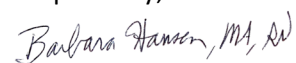
- One rationale mentioned during testimony provided by Dr. Andre Ourso from the Oregon Health Authority on March 18th, 2025, to support raising the hospital licensure fees was due to increased costs for more surveyor time to investigate complaints at hospitals. Another rationale was the fact that hospital licensure fees had not been raised in many years.
 - I challenge any assumption that the Oregon Health Authority is receiving more complaints from patients and families served by Oregon's 3 Hospice Houses that would then necessitate more surveyor time to investigate.
 - In my experience and based upon what has been reported to me, the Oregon Health Authority does not schedule separate Hospice Inpatient surveys, nor does it send out separate surveyors to inspect Hospice Houses/SICFs. Instead, the Hospice Houses/SICFs are surveyed while the home hospice program is surveyed during the course of its regular recertification survey cycle.
- SB 842 does not mention either an "SICF" or "Hospice". The bill language only refers to "hospitals". Thus, it appears to be the Oregon Health Authority's *choice* to put Hospice Houses/SICFs in the same category with "Hospitals" for purposes of this proposed rulemaking and increase in licensure fees.
- During the 2017 legislative session I testified in support of SB 53, which increased the licensing and renewal fees for in-home care agencies and hospice providers. I did this after querying hospice member programs from around the state. No hospices were opposed to the licensure fee increase at that time, because the fees had not been increased in 8 years and because the fee increase was modest.

In my experience, the majority of Hospice Houses in Oregon and around the country operate at a loss. Losses can be as high as \$1.5 million dollars per year. The three communities who have Hospice programs with their own inpatient hospice units greatly value having that resource available to them and would not want them to have to cease operations.

Please do not penalize Oregon's Hospice Houses/SICFs by allowing this 400% increase in the annual licensure fee to go into effect.

Thank you for the opportunity to submit comments on this proposed permanent rulemaking.

Respectfully,



Barbara Hansen, MA, RN, CEO
Oregon Hospice & Palliative Care Association

From: [Greg Hagfors](#)
To: [Public Health Rules](#)
Subject: SB 842
Date: Wednesday, November 19, 2025 10:41:28 AM

Think twice before clicking on links or opening attachments. This email came from outside our organization and might not be safe. If you are not expecting an attachment, contact the sender before opening it.

I am writing to express concern regarding the significant increase in annual hospital licensing fees mandated by SB 842 (2025 OL ch. 623), which became effective October 1, 2025. Under this legislation, the Oregon Health Authority (OHA) has raised annual licensing fees for hospitals, including Special Inpatient Care Facilities (SICFs), as follows:

- **Hospitals with fewer than 26 beds:**
 - New annual license fee: **\$5,000**
 - Previous annual license fee: **\$1,250**
 - Late renewal penalty: **\$1,250**

This represents an increase of more than **400%**. Currently, there are **23 hospitals** and **3 SICFs** licensed under this category.

I represent the Partners In Care Hospice House, a **small, 12-bed freestanding nonprofit facility** dedicated exclusively to serving hospice patients. We provide hospitals with a critical discharge option for end-of-life care and provide care for patients who would need hospital-level care in the community while on hospice, helping reduce hospital strain and ensuring patients receive appropriate end-of-life care in a specialized setting. This service is essential for continuity of care and for maintaining hospital capacity for acute patients.

Unfortunately, our SICF operates at a financial loss and relies heavily on community philanthropic support. The Hospice House has consistently had an operating loss and this dramatic increase in licensing fees will only exacerbate the loss for this vital service. For a facility like ours, an increase from \$1,250 to \$5,000 annually creates a financial burden.

While we understand the intent of SB 842, we would recommend not including the 3 SICFs licensed under this rule. A Hospice House does not have the capability of generating the same revenue or operating margin of a small hospital. We urge lawmakers and OHA to consider alternatives that protect access to specialized care for vulnerable populations.

This bill passed with a divided vote (33–19), indicating substantial legislative debate. We respectfully request that the Oregon Health Authority and legislators revisit this fee structure and explore solutions that do not jeopardize access to critical hospice care.

Thank you for your consideration and your commitment to ensuring equitable access to hospice care for all Oregonians. Please feel free to contact me if you have any questions.

Respectfully,

Greg Hagfors

Chief Executive Officer

Partners In Care

[REDACTED]

[REDACTED]

From: [Jenni Carver Ross](#)
To: [Public Health Rules](#)
Cc: [Barb Hansen](#); [Greg Hagfors](#)
Subject: Written Testimony Re: SB 842 Increased Licensing Fees for SICF
Date: Wednesday, November 19, 2025 9:51:48 AM

You don't often get email from [REDACTED]. [Learn why this is important](#)

Think twice before clicking on links or opening attachments. This email came from outside our organization and might not be safe. If you are not expecting an attachment, contact the sender before opening it.

I am writing to express concern regarding the significant increase in annual hospital licensing fees mandated by SB 842 (2025 OL ch. 623), which became effective October 1, 2025. Under this legislation, the Oregon Health Authority (OHA) has raised annual licensing fees for hospitals, including Special Inpatient Care Facilities (SICFs), as follows:

- **Hospitals with fewer than 26 beds:**
 - New annual license fee: **\$5,000**
 - Previous annual license fee: **\$1,250**
 - Late renewal penalty: **\$1,250**

This represents an increase of more than **400%**. Currently, there are **23 hospitals** and **3 SICFs** licensed under this category.

Our SICF is a **small, 12-bed freestanding nonprofit facility** dedicated exclusively to serving hospice patients. We provide hospitals with a critical discharge option for this population and provide care for patients who would need hospital-level care in the community while on hospice, helping reduce hospital strain and ensuring patients receive appropriate end-of-life care in a specialized setting. This service is essential for continuity of care and for maintaining hospital capacity for acute patients.

Unfortunately, our SICF operates at a financial loss and relies heavily on community support to remain open. Over the past year, our overall losses have been in the six-figure range, and this dramatic increase in licensing fees will further impact our ability to continue providing these vital services. For a facility like ours, an increase from \$1,250 to \$5,000 annually—plus potential late penalties—creates a financial burden.

While we understand the intent of SB 842—to modernize hospital oversight and fund additional surveyors and an online licensing system—the scale of this increase is disproportionate for small facilities that already operate under tight margins. We urge lawmakers and OHA to consider alternatives that protect access to specialized care for vulnerable populations.

This bill passed with a divided vote (33–19), indicating substantial legislative debate. We respectfully request that the Oregon Health Authority and legislators revisit this fee structure and explore solutions that do not jeopardize access to critical hospice care.

Thank you for your consideration and your commitment to ensuring equitable access to care for all Oregonians.

Jenni Carver Ross, MSN, RN
Clinical Operations Director

Partners In Care

2075 NE Wyatt Court
Bend, OR 97701



www.partnersbend.org



Support patients & families. www.partnersbend.org/donate



November 21, 2025

Oregon Health Authority
Public Health Division
800 NE Oregon Street, Suite 465
Portland, OR 97232

Submitted electronically: publichealth.rules@odhsoha.oregon.gov, mellony.c.bernal@oha.oregon.gov

RE: OHA Rulemaking: SB 842 Licensing Fees & HB 3294 Hospital Staffing

Mellony Bernal:

The Hospital Association of Oregon reviewed OHA's notice of proposed rulemaking relating to changes to hospital licensing fees, investigations, surveys, and staffing requirements. We appreciate the opportunity to comment on the proposed rules and OHA's work to align the rules to implement SB 842 and HB 3294.

These rules reflect the legislative decision to increase hospitals' licensing fees to support the work of OHA. We encourage OHA to identify opportunities within the agency to reduce inefficiencies, promote access to care, and make oversight more responsive to evolving patient and system needs.

Sincerely,

A handwritten signature in black ink, appearing to read "Danielle Meyer".

Danielle Meyer
Senior Public Policy Advisor
Hospital Association of Oregon



About the Hospital Association of Oregon

Founded in 1934, the Hospital Association of Oregon (HAO) is a mission-driven, nonprofit trade association representing Oregon's 61 hospitals. Together, hospitals are the sixth largest private employer statewide, employing more than 70,000 employees. Committed to fostering a stronger, safer, more equitable Oregon where all people have access to the high-quality care they need, the hospital association supports Oregon's hospitals so they can support their communities; educates government officials and the public on the state's health landscape, and works collaboratively with policymakers, community based organizations and the health care community to build consensus on and advance health care policy benefiting the state's four million residents.



4000 Kruse Way Place
Building 2, Suite 100
Lake Oswego, Oregon, 97035

Phone: 503.636.2204
Email: info@oregonhospitals.org
Web: oregonhospitals.org