2007 Regular Legislative Session FISCAL ANALYSIS OF PROPOSED LEGISLATION Proposed by the Oregon Legislative Figure Office

Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 158 STATUS: A-Engrossed

SUBJECT: Permits Home Care Commission to elect workers' compensation coverage for certain home care workers and allows termination of temporary total disability benefits of home care workers under certain conditions

GOVERNMENT UNIT AFFECTED: Department of Human Services, Home Care Commission

PREPARED BY: John F. Borden **REVIEWED BY:** John C. Britton

DATE: March 26, 2007

2007-2009 2009-2011

EXPENDITURES: See Comments

EFFECTIVE DATE: January 1, 2008

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: Ballot Measure 99, passed by voters in 2000, created the Home Care Commission (HCC) as a constitutional entity to serve as the employer of record for purposes of Home Care Worker (HCW) collective bargaining. Home care workers provide long-term care services to eligible persons through the Department of Human Services' (DHS) Medicaid long-term care program and Oregon Project Independence. The first collective bargaining agreement began in April 2004 and provided health insurance and workers' compensation coverage. HCW are not state employees.

SB 158, as amended, would enable DHS to moderate its current workers' compensation costs by requiring previously injured home care workers who have been released by a physician or nurse practitioner to return to modified employment by any DHS in-home client. If they refuse to return to modified employment, these workers would no longer receive temporary disability benefits. This termination of temporary disability benefits could result in lower workers' compensation premium costs. Future workers' compensation premium savings generated from this change, however, are indeterminate.

Each year DHS caseworkers have clients complete a form electing workers' compensation coverage for their HCW. This measure would allow, but not require, the HCC to elect workers' compensation coverage on behalf of DHS clients who employ approximately 12,0000 subject home care workers, if the worker is paid by the state on behalf of a client. This is not a change to current practice under the state's collective bargaining agreement. Therefore, there is no fiscal impact from codifying the HCC's ability to be allowed, but not required, to elect workers' compensation coverage for its employees under collective bargaining agreements.

DHS has in place a third party contract to administer HCW workers' compensation issues. This measure would now allow the contractor to meet all provisions of the current contract, which expires on June 30, 2009. A new contract may need to account for increased workers' compensation elections made by the

HCC and/or increased placement costs for workers who are released to return to modified employment, but who are unable to return to their original employer. The amount of any such increase is indeterminate at this time.