

**2007 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

---

**MEASURE NUMBER:** HB 3328                      **STATUS:** B-Engrossed  
**SUBJECT:** Child abuse investigation medical assessments and photographic documentation  
**GOVERNMENT UNIT AFFECTED:** Department of Human Services and the Department of Justice  
**PREPARED BY:** John F. Borden  
**REVIEWED BY:** Sheila Baker, John Britton, and Doug Wilson  
**DATE:** May 18, 2007

---

<b>EXPENDITURES:</b>	<u><b>2007-2009</b></u>	<u><b>2009-2011</b></u>
<b>See Comments</b>		

**EFFECTIVE DATE:** On passage

**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:** This measure requires that when a child abuse investigator observes that a child has suffered a suspicious physical injury(ies) and suspects that such injuries arose from child abuse, that photographic evidence be taken of the physical injury(ies) and a designated medical professional conduct a medical assessment within 24 hours. Suspicious physical injury is defined in this measure as, but is not limited to: burns or scalds, extensive bruising, swelling or abrasions, bone fractures, dislocations, unconsciousness, multiple injuries of different types, or any other injury that threatens the well-being of the child. The Department of Human Services (DHS) must assign a Critical Incident Response Team within 24-hours after a child fatality that was likely the result of child abuse. Additionally, the measure directs certain reporting by the Department of Justice, including a report to an interim legislative committee.

DHS estimates that 2,264 or 90% of confirmed cases of physical child abuse or threat of physical child abuse in Oregon (2005) are inflicted on children who are enrollees of the Oregon Health Plan (OHP) or State Children’s Health Insurance Plan clients (SCHIP). Of this amount, 1,359 or 60% are estimated to receive a medical assessment under current law and practice.

The cost of a medical assessment varies from \$25 to \$120. Assessments for OHP/SCHIP clients are paid for through either managed care (80%) or fee-for-services (20%). The cost is funded with a combination of General Fund and Federal Funds. The Federal match is approximately 61% for OHP clients and 73% for SCHIP clients.

DHS estimates it will have two general impacts associated with additional medical assessments (treatment costs are assumed by DHS to be covered under current law):

- 1) The first impact DHS estimates, that all confirmed cases of physical child abuse or threat of physical child abuse would result in a medical assessment. This is a 40% increase in the number of medical assessments currently undertaken and translates into 905 additional assessments each year (i.e., the difference between the 2,264 cases and the 1,359 medical assessments occurring

under current law). Of this amount, 724 would be paid for as part of managed care contract and therefore would not have an *immediate* fiscal impact as managed care contract pricing is adjusted in aggregate, and on a biennial basis. The remaining 181 medical assessments (15 cases per month) would be on a fee-for-service basis and would have a minimal fiscal impact. The impact would be only for fee-for-service clients of \$19,186 for 24-months of the 2007-09 biennium and a similar amount for the 2009-11 biennium. These figures were based on an exam fee of \$53.

- 2) The second impact is that DHS believes that there will also be an increase in the number of medical assessments because this measure would now require a medical assessment, where under current law a caseworker had latitude to exercise individual judgment on a case of alleged physical abuse. DHS estimates a 30% increase or 679 cases above the current 2,264 cases each year. This translates into 272 more medical assessments given that DHS assumes 60% of the 679 cases would already be receiving a medical assessment. Of the 272 cases, 217 would be paid for as part of managed care contract and therefore would not have an immediate fiscal impact. The remaining 55 medical assessments (4.5 cases per month) would be on a fee-for-service basis and would have a minimal fiscal impact. The impact would be only to fee-for-service clients of \$5,830 for 24-months of the 2007-09 biennium and a similar amount for the 2009-11 biennium. These figures were based on an exam fee of \$53.

Thus, DHS would have 236 additional medical assessments annually on a fee-for-service basis at a cost of \$25,016 for the 2007-09 biennium and a similar amount for the 2009-11 biennium.

In addition, DHS states that it would need to purchase 84 digital cameras at a cost of \$135 each (\$11,340) and 42 printers (one for each field office) at a cost of \$190 each (\$7,980). These would be one-time costs and funded with a combination of General and Federal Funds.

According to DHS, cumulative fiscal impact of this measure is \$44,336 for the 2007-09 biennium and \$25,016 for the 2009-11 biennium. DHS categorizes this measure as having a minimal fiscal impact and stated that it could absorb the cost within its 2007-09 budget.

The Department of Justice (DOJ) reports that this measure could have an indeterminate fiscal impact depending upon the number of additional medical assessments for those victims eligible to receive support from the Department's Crime Victims' Assistance Section. DOJ stated that the reporting requirements of this measure would not have a fiscal impact.

The Legislative Fiscal Office (LFO) believes that the DHS decision to absorb the cost of this measure is noteworthy. Although the amount the Department has stated it can absorb is categorized as "minimal," LFO does have several concerns that underscore the uncertainty of the DHS minimal fiscal impact. They are:

- Estimated Number of Physical Abuse Incidents: The DHS case estimate is based upon the number of confirmed cases of physical child abuse or threat of physical child abuse in Oregon (2005). What this estimate does not include are:
  - 2,954 referred cases of child abuse with physical abuse among their allegations that were investigated yet determined to be unfounded. Such cases may, under this measure, have required a medical assessment; and
  - 4,189 cases of sexual abuse, some of which may have been subject to this measure had it been law.

- Estimated Number of Medical Assessments:
  - DHS assumes that the number of medical assessments will increase. As such DHS must view this measure as requiring a higher standard of diligence than its caseworkers (and law enforcement officials) must adhere to under current law. Additionally, the number of such medical assessments is based exclusively on DHS caseworkers requiring an assessment and does not include an estimate of those assessments directed by law enforcement officials, which could be significant;
  - The DHS assumption that 60% of abuse cases currently receive medical assessments, which is a key assumption, is unsubstantiated by the Department; and
  - The DHS assumption that 60% of new cases of alleged abuse (i.e., the 2<sup>nd</sup> DHS fiscal impact related to medical assessments) would already have received a medical examination is of question and is contrary to the Department's logic that these would be entirely new cases and medical assessments.
  
- Estimated Cost of Medical Assessments:
  - The fee-for-service rate of \$53 could be underestimated and trend more toward the upper figure of \$120 per assessment given that a medical professional may conduct a more thorough, and therefore more costly medical assessment than otherwise would occur in the absence of an allegation of serious physical abuse.

If, as DHS states, the Department can absorb the cost of this measure then LFO would expect that the Department not return to a future legislature or Emergency Board with a supplemental budget request or a rebalance request to address any shortfalls which could occur as a result of this measure.

This measure does not require a subsequent referral to the Joint Committee on Ways and Means given the indeterminate nature of medical assessments cases, cost per case, and payer (OHP, SCHIP, or DOJ-Victims' Assistance).