

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass
Vote: 4 - 0 - 1
Yeas: Bates, Kruse, Morrisette, Monnes Anderson
Nays: 0
Exc.: Morse
Prepared By: Robert Shook, Administrator
Meeting Dates: 5/7

WHAT THE MEASURE DOES: Eliminates the statutory cap on fees (\$50 per tests other than newborn screening tests; and \$30 per specimen for newborn screening tests) charged for certain tests performed by state public health laboratory. Requires Department of Human Services to approve fee increases prior to fees taking effect.

ISSUES DISCUSSED:

- State medical laboratory tests currently being performed
- Rapidly changing technologies in testing
- Existing statutory caps related to Oregon only, not out-of-state requests.
- Fee structure and process established by Senate Bill 333

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Medical technology and new test methods are being developed for diseases of public health significance; however, they are often expensive. A few examples include DNA fingerprinting for antibiotic-resistant *Staphylococcus*, a new blood test for tuberculosis (Quantiferon), direct and rapid DNA testing for numerous viruses and bacteria, genetic marker analysis for cystic fibrosis in newborns, and other modern molecular methods. Medical laboratory science is undergoing a revolution because of new technologies that can provide accurate diagnosis in a fraction of the time needed for conventional methods. The Oregon State Public Health Laboratory (OSPHL) is in need of adopting these new technologies to support local health departments, hospitals, and clinics that rely on the public laboratory.

According to OSPHL, the current maximum fee cap does not allow the laboratory to recover the full test costs and prevents the OSPHL from offering new tests that are requested by clients. Additionally, OSPHL has indicated that specialized reference tests, which are being requested more often, have to be sent out of state, which has a higher cost to the state and are often not recoverable.