

**2009 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** HB 2133

**STATUS:** Original

**SUBJECT:** Removes statutory cap on fees charged for tests performed by state public health laboratory

**GOVERNMENT UNIT AFFECTED:** Department of Human Services, Department of Administrative Services

**PREPARED BY:** Kim To

**REVIEWED BY:** John Britton, Laurie Byerly

**DATE:** February 20, 2009

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	<u>2009-2011</u>	<u>2011-2013</u>
<b>EXPENDITURES:</b> See Analysis		
<b>REVENUES:</b> See Analysis	<u>2009-2011</u>	<u>2011-2013</u>

**EFFECTIVE DATE:** January 1, 2010

**GOVERNOR'S BUDGET:** This bill is 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.

**ANALYSIS:** This bill removes the cap on fees charged for certain tests performed in the state public health laboratory, allowing the Department of Human Services (DHS) to establish new fee levels by rule, subject to approval by the Department of Administrative Services (DAS).

This bill will not have a fiscal impact on DAS because approval by DAS is already an existing requirement for all agencies that charge fees to the general public or businesses.

Passage of this bill will not require additional resources or result in increased workload for DHS.

The 2009-11 Governor's Recommended Budget for DHS includes Policy Option Package #356 which assumed \$1.9 million of new Other Fund revenue generated from new test fees. DHS intends to withdraw this Policy Option Package #356 from consideration because at this time, the impact on revenue from the possible new tests and future fee structure is indeterminate. The Public Health Division (PHD) in the Department of Human Services reports that it does not intend to increase existing laboratory fees in the near future, but is exploring the possibility of adding new tests. These tests could include DNA fingerprinting for antibiotic-resistant Staphylococcus, a new blood test for tuberculosis, as well as direct and rapid DNA testing for numerous viruses and bacterial including hepatitis C confirmation testing and HIV viral load testing. Currently, hospitals have occasional need for these tests to be performed. Although the public health laboratory has the capability to perform some of these tests, the current test fee cap deters the laboratory from doing so because the cost of performing the test is higher than the \$50 statutory cap. Removing the cap on fees will allow the public health laboratory to charge hospitals at a rate (more than \$50) that would allow recovery of costs. LFO notes that removal of the statutory cap, will also allow the laboratory to increase existing test fees.