

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

MEASURE NUMBER: SB 455

STATUS: Original

SUBJECT: Directs the Department of Human Services to align and coordinate the research and dissemination of health treatment comparative effectiveness data, and evidence-based health care guidelines. Instructs public bodies to pursue health care purchasing strategies that encourage adoption of these research findings and guidelines. Appropriates moneys from General Fund to the Department of Human Services.

GOVERNMENT UNIT AFFECTED: Department of Human Services, Public Employees' Benefit Board, Oregon Educators Benefit Board, Department of Corrections

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DATE: March 2, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES – See Analysis:		
Department of Human Services – General Funds	\$	\$
Personal Services	\$ 201,202	\$ 229,942
Services and Supplies	\$ 220,678	\$ 108,622
Total General Funds	\$ 421,880	\$ 338,564
Department of Human Services – Federal Funds	\$	\$
Personal Services	\$ 89,834	\$ 102,666
Services and Supplies	\$ 99,144	\$ 48,802
Total Federal Funds	\$ 188,978	\$ 151,468
Department of Human Services – Total Funds	\$	\$
Personal Services	\$ 291,036	\$ 332,608
Services and Supplies	\$ 319,822	\$ 157,424
TOTAL FUNDS	\$ 610,858	\$ 490,032

POSITIONS / FTE:

Department of Human Services – Operations and Policy Analyst 4	2/1.76	2/2.00
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EFFECTIVE DATE: July 1, 2009

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: Senate Bill 455 appropriates an unspecified amount from the General Fund to the Department of Human Services (DHS). It requires that (1) the Health Resources Commission (HRC) conduct comparative effectiveness research; (2) the Health Services Commission (HSC) identify evidence-based health care guidelines; and (3) the Office for Oregon Health Policy and Research (OHPR) align and coordinate the work of both commissions. The bill also directs both commissions to

disseminate their research findings and guidelines so consumers, providers, public and private third-party payers, and other stakeholders can make more informed health care decisions. The bill widely encourages state and local government entities, and specifically instructs the Public Employees' Benefit Board, the Oregon Educators Benefit Board, the Department of Corrections and the Department of Human Services to pursue health care delivery and purchasing strategies that promote the adoption of the commissions' comparative effectiveness research findings and evidence-based guidelines.

The bill represents a portion of a Policy Option Package (POP) within the Department of Human Services 2009-11 Governor's Recommended Budget. The \$7.6 million POP #389 includes \$421,880 General Funds and \$188,978 Federal Funds (\$610,858 Total Funds) for the work of HRC, HSC and OHPR as directed in this bill. POP #389 combines this work with six other Oregon Health Fund Board (OHFB) proposed initiatives. Created by SB 329 in the 2007 legislative session, the OHFB is a seven-member board charged with developing a comprehensive plan to ensure access to health care for Oregonians, contain health care costs, and address issues of quality in health care. POP #389 reflects some of the first steps of comprehensive health care reform recommended by OHFB – laying the groundwork for sound health care planning and decision-making by investing in reliable data collection, analysis and management.

To carry out the provisions of Senate Bill 455, DHS anticipates establishing two permanent full-time Operations and Policy Analyst 4 positions, one assigned to the HRC, and one to the HSC, to augment each commission's current staffing. The position assigned to HRC will support efforts in strengthening partnerships with existing state, national and international public and private organizations already investing in comparative effectiveness research to develop a trusted source from which consumers, providers, public and private third-party payers, and other stakeholders can access up-to-date, objective and credible information on which health care treatments are most effective and provide the best value. The position assigned to HSC will support the review of existing guidelines and convening of experts in public and private sectors to develop and disseminate standard sets of evidence based guidelines.

One-time, start-up costs for the two positions in the Services and Supplies category include human resources, computer system and office furniture. On-going costs in the Services and Supplies category include facilities rent, training, travel reimbursement and telecommunications. Services and Supplies also includes funds for organizing meetings and other outreach efforts to promote broad-based public and private collaboration; access to evidence-based reviews and comparative effectiveness analyses; and software licensing.

This bill further instructs the Public Employees' Benefit Board, the Oregon Educators Benefit Board, the Department of Corrections and the Department of Human Services to pursue health care purchasing strategies that promote the adoption of the commissions' comparative effectiveness research findings and evidence-based guidelines. Potential new research findings, recommendations and guidelines may affect these agencies' health plan design and contractual requirements which in turn may impact premium rates. At this time, the fiscal impact of potential new health plan design, contractual requirements and premium rates on these agencies is indeterminate, contingent on the specific recommendations and guidelines to be developed by the commissions.

Note: House Bill 2129 is identical to this Senate Bill 455.