

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 2400 - A**Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session  
Legislative Fiscal OfficePrepared by: John Terpening  
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Date: 4-27-2011**Measure Description:**

Appropriates money to Office of Rural Health for purposes of Primary Care Services Program.

**Government Unit(s) Affected:**

Oregon Health Sciences University (OHSU), Department of Administrative Services (DAS), Oregon Student Assistance Commission (OSAC)

**Summary of Expenditure Impact:**

Agency – Fund Type	2011-13 Biennium	2013-15 Biennium
Department of Administrative Services -- General Funds	\$3,100,000	TBD
Department of Administrative Services – Other Funds (Payments to OHSU)	TBD	TBD

**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:**

The measure appropriates \$3,100,000 of General Fund to the Department of Administrative Services for the 2011-2013 biennium for distribution to the Office of Rural Health for purposes of the Primary Care Services Program.

The Primary Care Services Program was transferred from the Oregon Student Assistance Commission (OSAC) and made a part of the Office of Rural Health within Oregon Health Sciences University (OHSU) in HB 3639 (2010). The program provides loan repayments for naturopathic physicians, physicians, physician assistants, dentists, pharmacists and nurse practitioners that agree to practice in qualifying practice sites. The program requires participants to practice for at least three full years following completion of residency requirements or the execution of the primary care service agreement, whichever is later, with a maximum of six years. Maximum annual payments to participants are \$25,000 each year, and 75% of available moneys shall be paid to participants in rural areas and 25% to participants in urban areas. Participants that do not complete the service obligation are liable for all payments. The Legislative Fiscal Office notes that the General Fund appropriation for the Rural Health Services program was eliminated in the 2009-11 legislatively adopted budget. OSAC estimates that the ending balance of \$404,475 Other Funds will be transferred to OHSU for the Primary Care Services Program.

OHSU anticipates the need for a 0.50 FTE position to administer the loan repayment program at an estimated cost of \$91,000 in 2011-13 with the remainder distributed as loans to qualified applicants. With the remainder of funds available, OHSU anticipates funding approximately 4 physicians, 2-3 dentists, 2-3 nurse practitioners, and 2-3 physician assistants per year for an average of five years.

The Legislative Fiscal Office notes that the demand and distribution method of the loans to be awarded is indeterminate and that excessive demand may require additional staff to administer the program. Additionally, the measure does not specify if the intent of the General Fund appropriation is one-time or on-going, and does not specify the source of additional funds if the initial appropriation is expended.