

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 96

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

Prepared by: Matt Stayner
Reviewed by: John Terpening, Tim Walker, Linda Ames, Robin LaMonte, Kim To
Date: 2/21/2011

Measure Description:

Expands list of health professional regulatory boards subject to health care workforce data reporting to Office for Oregon Health Policy and Research.

Government Unit(s) Affected:

Board of Chiropractic Examiners, Board of Examiners for Speech-Language Pathology and Audiology, State Board of Chiropractic Examiners, Board of Licensed Social Workers, Oregon Board of Licensed Professional Counselors and Therapists, Board of Massage Therapists*, Board of Naturopathic Medicine, Nursing Home Administrators Board, Board of Medical Imaging, Board of Optometry*, Board of Psychologist Examiners, Oregon Medical Board, Oregon Health Authority (OHA)

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 proposed legislation expands the number of health related licensing boards that are required to collect and provide specific healthcare workforce information to the Oregon Health Authority, Office for Oregon Health Policy and Research (OHPR). In addition, the bill removes specific occupational limitations on the licensees for which the subject boards, both existing and new, are to collect and provide data to OHPR.

The fiscal impact of this legislation includes:

- The cost of collecting and submitting the required information to OHPR by the boards
- The revenue to OHPR due to the charge to the boards for management and reporting of the data
- The expense of managing and reporting the data by OHPR

Board Expenses

Each of the boards that were added to the existing list were asked to provide estimates of the total cost of collecting and providing the information required to OHPR, including the biannual fee that OHPR charges for the collection and management of the data. For boards that are currently submitting information to OHPR, the fee is \$5.00 per new licensee or biennial renewal. Each board submitted cost estimates that included:

- Ongoing costs of collection and submission of the required information
- One-time costs of preparing forms, altering databases, creation of rules, notification of licensees, etc.
- Number of licensees impacted
- Estimated total OHPR fees

The estimated cost of ongoing collection and submission of the required data to OHPR, not including the OHPR fee, varied from zero to \$2.04 per license, per biennium. The reason for this variance was the assumption by some boards that there would be significant manual processes involved in dealing with the collected information. The estimated cost of one-time items for the new boards to collect and submit

the required data varied from zero to \$12.50 per licensee. The primary reason for this variance is due to the varying levels of existing data collecting capability among the boards. .

Although the boards included the \$5.00 current per-license fee that currently reporting boards are paying to OHPR, OHPR reports that the expanded number of boards will allow them to spread a portion of their costs among the larger pool of licensees, therefore reducing the per-license fee to \$3.50.

Based on the factors discussed above, the additional biennial cost to the new boards is estimated to be between \$102,939 and \$169,996 Other Funds. If the OHPR was to reduce the per-licenses fee to the \$3.50 level that they have projected, the impact to all subject boards would be a reduction in OHPR fees totaling \$51,500 Other Funds.

Office of Oregon Health Policy and Research

OHPR is collecting information on approximately 102,000 licensees from the boards that are reporting under the current statute. OHPR collects \$5.00 per new license application or biennial renewal resulting in estimated total revenue of \$510,000 Other Funds. The agency reports biennial to-date expenditures for the office of \$256,275 Other Funds and that the office expects total biennial expenditures to be \$320,342 Other Funds. This equates to \$3.14 per license.

OHPR reports that the cost structure of the program is fairly fixed. If all of the licensees that are contemplated by SB 96 (about 29,000) were added, some of the program costs could then be spread among the larger pool, reducing the per-license fee to \$3.50. This would reduce the total revenue collected by OHPR from the boards from \$510,000 to \$458,500, a reduction of \$51,500.

The Oregon Revised Statutes allow the Oregon Health Policy Board to establish fees paid by licensees to reimburse the actual cost of collecting and reporting the required information. Therefore even though the total revenue the OHPR is projected to collect under the proposed legislation is reduced, it is inferred that OHPR's total costs will increase by \$138,158 from \$320,342 to \$458,500 or the agency will reduce the per-license fee to the amount that will result in an amount that is reasonably calculated to cover their actual costs.

*Note that the Board of Massage Therapists and the Board of Optometry are a semi-independent state agency subject to ORS 182.456 to 182.472. The agency's budget is not subject to Executive Branch review, or approval or modification by the Legislative Assembly.