

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 207

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

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Date: 2/16/2011

Measure Description:

Requires the Oregon Patient Safety Commission to establish a system that allows patients to report serious adverse events occurring in hospitals.

Government Unit(s) Affected:

Oregon Patient Safety Commission, Oregon Health Authority

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:

SB 207 requires the Oregon Patient Safety Commission to establish a system that allows patients to report, through a toll-free telephone hotline or through the Commission's website, serious adverse events occurring in hospitals. The bill also requires the Commission to investigate, compile and utilize information from this reporting. This bill takes effect January 1, 2012.

The term "adverse event" describes harm to a patient as a result of medical care. An adverse event indicates that the care resulted in an undesirable clinical outcome and that the clinical outcome was not caused by an underlying disease. Adverse events include medical errors, such as use of incompatible blood products. They may also include more general substandard care that can result in harm, such as infection because of contaminated equipment, incorrect diagnoses, and lack of patient monitoring during treatment. Actions taken to reduce adverse events often focus on mistakes and systemic problems with care. However, adverse events do not always involve errors, negligence, or poor quality of care and may not always be preventable.

At present, the Oregon Patient Safety Commission collaborates with hospitals, nursing homes, ambulatory surgical centers, renal dialysis facilities and retail pharmacies to oversee a confidential, voluntary adverse events reporting system focusing on learning, sharing of information about root causes and best practices for prevention, and increased awareness of, and transparency about adverse events. The Oregon Health Authority, Public Health Division, Health Care Regulation and Quality Improvement program (HCRQI) conducts investigations of patient concerns related to the quality of care received. The HCRQI program regulates health care facilities, providers and suppliers in acute care and community-based programs. Health care facilities regularly refer patients to the HCRQI if they have been unsuccessful in satisfying the patient's quality of care complaints or concerns. The HCRQI website includes an Initial Complaint Intake Form for patients or those acting on behalf of a patient to report concerns regarding the safety and quality of care.

Oregon Patient Safety Commission

SB 207 requires the Oregon Patient Safety Commission to establish a serious adverse event reporting system for patients and those acting on a patient's behalf that may overlap with the HCRQI process. The full fiscal impact of carrying out the provisions of this bill is indeterminate depending on the volume and complexity of calls and online reports received. HCRQI reports that the program receives about 60-75 patient/family complaints each year. However, note that not all complaints are "serious adverse events." The Commission estimates the impact of just establishing and staffing a toll free telephone hotline, and enabling the Commission's website to collect these reports to be \$61,975 Other Funds for

18 months of the 2011-13 biennium and \$121,295 Other Funds for subsequent biennia. These amounts include personal services costs for one Office Manager position (0.50 FTE) to receive and compile patient reports, and one Patient Safety Consultant position (0.50 FTE) to validate and investigate patient reports.

Note that the Oregon Patient Safety Commission is 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.

Oregon Health Authority

This bill does not have a fiscal impact on the Oregon Health Authority.