

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 738 - A

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

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Measure Description:

Authorizes the Oregon Health Authority to approve pilot projects to encourage the development of innovative practices in oral health care delivery systems with a focus on providing care to populations that evidence-based studies have shown have the highest disease rates and the least access to dental care.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Oregon Board of Dentistry (OBD), Department of Consumer and Business Services (DCBS)

Summary of Fiscal Impact:

See Analysis

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 738 – A Engrossed permits the Oregon Health Authority (OHA) to approve pilot projects to encourage the development of innovative practices in oral health care delivery systems with a focus on providing care to populations that evidence-based studies have shown have the highest disease rates and the least access to dental care. The bill requires the Oregon Board of Dentistry (OBD) to issue expanded practice permits in place of limited access permits. The board is directed to compile data on expanded practice dental hygienists, and adopt rules requiring health insurers to report to the board on the reimbursement services provided by expanded practice dental hygienists. The board is required to report to an interim legislative committee on the reimbursement of services provided by expanded practice dental hygienists by October 1st of each even numbered year. The bill requires insurance policy covering dental health that provides coverage for services performed by dentists to cover services when performed by expanded practice dental hygienist under certain circumstances.

Oregon Health Authority (OHA)

Senate Bill 738 – A Engrossed authorizes the Oregon Health Authority to approve pilot projects to encourage the development of innovative practices in oral health care delivery systems with a focus on providing care to populations that evidence-based studies have shown to have the highest disease rates and the least access to dental care. The bill establishes the Dental Pilot Projects Fund and authorizes OHA to accept gifts, grants or contributions from any public or private source to carry out the provisions of this bill. Certain provisions of the bill become operative on January 1, 2012. The Oregon Board of Dentistry is authorized to take action before the operative date. The pilot programs sunset on January 2, 2018.

The bill is anticipated to have a budgetary and staffing impact on the Oregon Health Authority. The Legislative Fiscal Office (LFO) acknowledges that the bill permits, and does not obligate OHA to administer this pilot program. However, in order to provide adequate decision support information, it is LFO's protocol to issue an explanatory fiscal impact statement providing an analysis of the expenditures, revenues, staffing and organizational effects of implementing the provisions of the bill.

The Oregon Health Authority estimates the administrative cost for this pilot program to be approximately \$288,453 Other Funds per biennium. This amount reflects staffing expenses for two positions (1.50 FTE). If this bill passes, and OHA secures sufficient funds, the authority anticipates establishing two positions:

1. A full time (1.00 FTE) Dental Pilot Projects Coordinator (Operations and Policy Analyst 3) to coordinate the development of request for proposals and administer contracts for dental pilot projects to evaluate quality of care, access, cost, workforce and efficiency, as well as pilot projects for training and certifying community dental health coordinators, including adopting rules, establishing application process, minimum standards, guidelines, instructions and reporting requirements.
2. A part-time (0.50 FTE) Dental Pilot Project Data & Evaluation Coordinator (Research Analyst 3) to develop data collection standards and evaluation measures for dental pilot projects and for workforce/service delivery models and dental health coordinators, including developing requirements for process evaluation, outcome evaluation, data collection, and providing technical assistance.

At this time, the amount of special payments to be granted to approved pilot projects, and therefore the full fiscal impact of this bill on OHA is indeterminate depending on the number of applications received by OHA, the number and scope of pilot programs approved by OHA, and the amount of available funding. The bill allows OHA to accept gifts, grants or contributions from any public or private source for the purpose of carrying out these pilot projects. OHA anticipates receiving funds from the Northwest Health Foundation to support this pilot program. However, the amount and timing of this funding is unknown at this time.

Oregon Board of Dentistry (OBD)

Senate Bill 738 – A Engrossed modifies statutes governing the licensing and practice of dentistry, and requires the Oregon Board of Dentistry (OBD) to issue expanded practice permits in place of limited access permits. The board is directed to compile data on expanded practice dental hygienists, and adopt rules requiring health insurers to report to the board on the reimbursement services provided by expanded practice dental hygienists. The board is required to report to an interim legislative committee on the reimbursement of services provided by expanded practice dental hygienists by October 1st of each even numbered year.

This bill is anticipated to have a fiscal impact on OBD. If this bill passes, the board will need to re-write existing rules and establish new rules, which will increase meeting expenses for oversight committees and public rules hearings. The board anticipates an increase in attorney general expenses to review these changes. In addition, the board will need to develop a survey and data collection process, create new application forms, and to modify its licensing systems. Currently, the board licenses about 160 limited access permits to dental hygienists. If this bill passes, the board will need to transition these current limited access permits to expanded practice permits. The board also anticipates an increase in the number of expanded practice permits with passage of this bill. Currently, the fee for a limited access permit is \$50. The board estimates that the new expanded practice permit will increase from \$50.00 to \$75.00 to cover these licensing changes and data collection costs, which the board estimates at \$7,500 Other Funds.

Department of Consumer and Business Services (DCBS)

Senate Bill 738 – A Engrossed requires a health insurance policy that offers dental health services to cover service provided by an expanded practice dental hygienist, if the same services would be covered when provided by a licensed dentist. Passage of this bill is anticipated to have a minimal impact on DCBS. If this bill passes, DCBS will use existing staff and resources to update insurance product standards and review contract changes.