

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2137

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Requires Oregon Health Authority to establish system for repurposing durable medical equipment that is no longer medically appropriate for medical assistance recipients for use by other medical assistance recipients.

Government Unit(s) Affected:

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:

House Bill 2137 requires the Oregon Health Authority to establish a system to reclaim and reuse durable medical equipment (including prosthetics, orthotic, and medical supply) purchased by the state for Oregon Health Plan clients residing in long-term care facilities, residential care facilities, foster home, and for those clients receiving in home services. The bill requires OHA to establish a statewide centralized inventory system for durable medical equipment that is accessible online to all providers who are paid with state funds.

The fiscal impact of this bill on OHA is indeterminate. At this time, the agency cannot predict the quantity of durable medical equipment (DME) that will be available for reuse under the provisions of this bill, and the size, scope and cost of the repurpose durable medical equipment program is dependent on this number. Cost associated with establishing this program includes:

1. Staff and resources to administer and manage education and outreach, as well as the daily operations for the program.
2. Staff, equipment, and materials to collect, to inventory, to ensure the condition of the DME, as well as to sanitize, and redistribute the durable medical equipment.
3. Facilities costs for collection and storage of reusable durable medical equipment statewide.
4. Shipping costs for the redistribution of reusable durable medical equipment.
5. Information technology costs for the online inventory of available durable medical equipment accessible to all providers who are paid with state funds.

Note that if the staffing and resource requirements of implementing the provisions of this bill exceed expectations, OHA may need to return to the Emergency Board or Legislative Assembly to seek additional funding and position authority in the event that reprioritization of duties and responsibilities of existing staff is not feasible given the size and scope of the repurpose durable medical equipment program.