

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2737 - B

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 adopt standards and procedures to certify specified mental health providers to qualify for insurance reimbursement.

Government Unit(s) Affected:

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

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 2737 B-Engrossed authorizes and requires the Oregon Health Authority to certify mental health providers eligible for reimbursement from group health plans. The bill defines provider as a health care facility, residential facility, day or individual medical professional or a provider certified by the Oregon Health Authority, and specifies that the intent of this bill is not to prohibit an insurer from requiring a provider organization certified by OHA to meet the insurer's credentialing requirements as a condition of entering into a contract. However, the bill is silent regarding when group plans must comply with the provisions of this bill, and whether or not these provisions apply to current plans or plans issued or renewed on or after the effective date. The bill declares an emergency and is effective on passage.

Oregon Health Authority (OHA)

OHA reports that its Addictions and Mental Health (AMH) division provided this service until June 2011 through a contractor, who conducted reviews, wrote site reviews and followed-up on corrective action plans. In 2011, the Department of Justice determined AMH did not have the authority to certify these programs, and AMH refunded application fees. Passage of this bill would reinstate the agency's authority and obligation to certify mental health and chemical dependency providers eligible for reimbursement from group health plans.

The bill allows OHA to impose an application fee to cover the cost of the additional staff or contractors to do the reviews. Assuming that 40 providers will apply per biennium, and a \$600 fee to cover the cost of the contracted certification services, OHA estimates the fiscal impact of this bill to be approximately \$18,000 Other Funds for the 18 months of the 2013-15 biennium, and \$24,000 Other Funds for the 24 months of the 2015-17 biennium.

Department of Consumer and Business Services (DCBS)

The fiscal impact of this bill on DCBS is anticipated to be minimal. DCBS anticipates using existing staff and resources to serve carriers that choose to re-file their health plans with DCBS.