

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3396 - A**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Measure Description:

Creates Health Care Provider Incentive Fund.

Government Unit(s) Affected:

Oregon Health Sciences University (OHSU), Oregon Health Authority (OHA), Department of Administrative Services (DAS)

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 3396:

- Establishes the Health Care Provider Incentive Fund. Moneys in the fund are continuously appropriated to the Oregon Department of Administrative Services for use by the Office of Rural Health within the Oregon Health Sciences University (OHSU)*.
- Abolishes the Primary Care Provider Loan Repayment and the Primary Health Care Loan Forgiveness Programs within the Oregon Health Authority (OHA).
- Requires the unexpended balances of amounts authorized to be expended for the 2013-15 biennium for Primary Health Care Loan Forgiveness to be transferred to this newly established Health Care Provider Incentive Fund.
- Requires the unexpended balances of moneys appropriated to the Primary Care Provider Loan Repayment Fund prior to January 1, 2015 to be transferred to the Oregon Health Authority Fund.
- Requires the unexpended balances of moneys appropriated to the Primary Care Provider Loan Repayment Fund on or after January 1, 2015 to be transferred to the Health Care Provider Incentive Fund.
- Directs the Office of Rural Health to convene an advisory committee, and specify the criteria this advisory must use to advise the Office on the allocation of moneys in the Health Care Provider Incentive Fund.
- Authorizes the Office of Rural Health to distribute the moneys in the Health Care Provider Incentive Fund based on recommendations from the advisory committee.

Complying with the provisions of this bill is anticipated to have minimal impact on the Oregon Health Authority, the Department of Administrative Services, and the Oregon Health Sciences University. OHSU will use existing staff and resources to convene an advisory committee, and to administer the Health Care Provider Incentive program.

Primary Health Care Loan Forgiveness Fund

The bill requires unexpended balances of amounts authorized to be expended for the 2013-15 biennium for this fund to be transferred to this newly established Health Care Provider Incentive Fund. OHA estimates the unexpended balances on July 1, 2015 to be approximately \$40,000.

Primary Care Provider Loan Repayment Fund

The bill requires unexpended balances of moneys appropriated to this fund on or after January 1, 2015 to be transferred to the Health Care Provider Incentive Fund. There has not been any appropriation to this fund on or after January 1, 2015. Therefore there will be no monies transferred.

The bill requires unexpended balances of moneys appropriated to this fund prior to January 1, 2015 to be transferred to the Oregon Health Authority Fund. OHA reports that 30 providers have received awards through this fund so far, and the Oregon Health Authority expects to award all remaining funds by September 2015. Providers make a three-year service commitment, and loan payments are reimbursed on a quarterly basis. OHA will be paying out funds through 2018.

*Note that only a portion of OHSU agency's budget is subject to Executive Branch review, or approval or modification by the Legislative Assembly. State funding is provided to OHSU for specific functions such as medical and nursing schools, Office of Rural Health, and the Poison Control Center.