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# Public Health Division

## House Bill 5026 Policy Option Package 409

Oregon Health Authority

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**OHA Mission:** Helping people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to quality, affordable health care.

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# How fees are established

ORS enabling legislation authorizes how fees will be set (either in statute or by administrative rule process), who will pay the fee, and what are the intended uses for the revenue generated.

## How fee changes are made

- Statute
  - ❖ Requires Legislative Concept
- Oregon Administrative Rule (OAR)
  - ❖ If prospective changes are anticipated, approval from Legislature is obtained during budget hearings
  - ❖ Or an *Interim SB 333* process requires Department of Administrative Services approval and then,
  - ❖ Ratification from Legislature to continue the fee beyond the current biennium

## Budget side-

- When legislation is introduced/considered: Agency prepares a Fiscal Impact Statement identifying the costs necessary to implement and determines initial fees to be established
- On-going biennial cost analysis identifies revenue shortfalls and reduces agency budget if fees are not adjusted
- **Policy Option Package** captures programmatic implications and resulting budget changes if fee changes are ratified

# Determining cost drivers and the process for stakeholder engagement in fee setting

## Cost Drivers

- Statutory requirements
- Frequency/periods of requirements
- Number of affected entities and/or individual fee payers
- Staff workload and time required to complete requirements and account for the volume of fee payers
- Supplies, travel and technical equipment required

## Process

- Ongoing review of workload, revenue and expenditures
- Notifying stakeholders
- Establishing rule advisory committees (RAC)
- Publishing and scheduling public hearings

## POP 409: Includes seven PH fee requests

- Ratify continuation of two interim fee establishment/increases approved by the Department of Administrative Services as a part of the SB-333 process
  - Oregon Environmental Laboratory Accreditation Program (ORELAP)
  - Toxic Free Kids Act
- Review and approve the budget impact associated with fee increases requested in SB 53 currently being reviewed by the Legislature:
  - Hospice Licensing Fees
  - In Home Care Licensing Fees
- Prospectively approve fee increases proposed to be implemented during 2017-19 through Oregon Administrative Rule:
  - Health Facilities Construction Plan Review Fees
  - Immunization Program **ALERT** Registry User Fees
  - Newborn Metabolic Screening Test Kit Fees

# POP 409: ORELAP Fees

## Proposal

Ratify continuation of four new advanced technology laboratory accreditation fees, and the increase of twelve out-of-state fees for laboratories seeking accreditation from the ORELAP.

## Rationale

Ratification enables ORELAP to continue to accredit laboratories that test marijuana. (ORS 438.605, ORS 475B.560)

Assure sufficient revenue through 2019-2121 to meet the workload and costs to accredit laboratories conducting testing of marijuana as required by HB 3400 (2015) ORELAP is solely funded by fees.

## Last fee increase

Out-of-state fees were increased in August 2011.

## POP 409: ORELAP Fees continued

<b>Who is impacted</b>	All out-of-state and certain in-state environmental laboratories seeking accreditation by ORELAP.
<b>Risks of not moving forward</b>	There would not be sufficient funding to operate the program effectively, and laboratories seeking accreditation to test other items (drinking water, air, soil, and cannabis) will not be accredited timely.
<b>Effective date</b>	July 1, 2017   Net Revenue Impact for 2017-2019: \$275,783

# POP 409: Establishing fees for Toxic Free Kids Act

<b>Proposal</b>	<b>Ratify continuation of fees established to fulfill the requirements of the 2015 Toxic Free Kids Act (SB 478)</b>
<b>Rationale</b>	ORS 431A.270 authorizes OHA to establish by rule a schedule of fees for manufacturers of children’s products that are based on the costs to the authority for administering Toxic-Free Kids Act.
<b>Who is impacted</b>	Manufacturers/distributors of children’s products offered or sold in Oregon with annual worldwide gross sales \$5 million or more.
<b>Risks of not moving forward</b>	OHA would not be able to undertake the new required work to report all chemicals, establish a process to accept and process exemption requests, and issue waivers.
<b>Effective date</b>	July 1, 2017 Net Revenue Impact for 2017-2019: \$ 620,000



# POP 409: Hospice and In-Home Licensing Fees

<b>Proposal</b>	<b>Increase annual fees for regulation of Hospice and In-Home Care agencies (ORS 443)</b>
<b>Rationale</b>	The fee proposal includes new fees for In-Home Care agencies to provide a more equitable fee schedule based upon the type of service they provide and associated workload. Current services include on-site initial licensure and certification surveys, routine re-licensure and recertification surveys and complaint investigations. Ensures program solvency and funds the current service level through 2019-2021.
<b>Last fee increase</b>	Hospice – 2009, In-Home Care 2007
<b>Who is impacted</b>	Hospice and In-Home Care Agencies
<b>Risks of not moving forward</b>	Reduced on-site surveys and complaint investigations, safety of vulnerable patients receiving hospice or in home care services, insufficient revenue to fulfill statutory requirements.
<b>Effective date</b>	January 2018 Net Revenue Impact for 2017 – 2019: \$233,380

# POP 409: Health Care Facility Construction Plan Review Fees

<b>Proposal</b>	<b>Health Care Facility Construction Plans Review Fee Increase (ORS 441)</b>
<b>Rationale</b>	Enables OHA to provide timely services of reviewing construction plans for those health care facilities planning new construction projects or alternations to existing facilities. Maintains program solvency and funds the current service level of the program.
<b>Last fee increase</b>	Fees were last adjusted in 2009
<b>Who is impacted</b>	Health care facilities that are planning new construction projects or alterations to existing health care facilities.

# POP 409: Health Care Facility Construction Plan Review Fees continued:

<b>Risks of not moving forward</b>	The program will not have sufficient revenue to sustain current staffing levels, which will delay review of plans for proposed health care facility construction projects throughout the state. These delays would adversely impact construction schedules of health care facilities and possibly the services provided to patients. The program will also be unable to satisfy statutory and contractual obligations including the provision of Federal National Fire Protection Association requirements for facilities to be Medicare or Medicaid certified.
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**Effective date**      October 1, 2017    Net Revenue Impact for 2017-2019: \$ 773,622

# POP 409: Oregon Immunization Program ALERT Registry User Fees

<b>Proposal</b>	<b>Implement a users fee of \$5 for the ALERT Immunization Information System (IIS) (ORS 433.100)</b>
<b>Rationale</b>	Fee authority previously established in 2003, allowed for establishing and setting a fee, and/or voluntary contributions. Voluntary contributions no longer support the ongoing operational costs of the ALERT IIS.  The agency proposes to implement a fee of \$5
<b>Last fee increase</b>	\$10 per user fee was established in 2003, but never implemented. The current proposal will implement a \$5 per user fee.

# POP 409: Oregon Immunization Program ALERT Registry User Fees continued:

**Who is impacted**

Authorized users including: health plans, health provider associations, private or non-profit institutions, other state registries, federal health agencies or their contractors that are using the information from the IIS for quality improvement activities for their privately insured patients.

**Risks of not moving forward**

If the fee proposal is not approved it will be necessary to reduce staff, which will delay the input of current and accurate information to Oregon immunization records.

**Effective date**

October 2017 Net Revenue Impact for 2017-2019: \$394,660

# POP 409: Public Health Lab (PHL) Newborn Metabolic Screening Test Kit Fee Increase

<b>Proposal</b>	<b>Increase Oregon fees for Newborn Metabolic Screening test kits (ORS 431A.750, ORS 433.285)</b>
<b>Rationale</b>	Operations of the Oregon Public Health Lab (PHL) is funded largely by fees. Federal regulatory requirements and laboratory supplies have sharply increased operational costs over the last four years. A test kit fee increase will provide additional revenue to cover the PHL's current service level operational costs.
<b>Last fee increase</b>	May 2014
<b>Who is impacted</b>	Oregon birthing facilities and providers that purchase newborn screening kits used to collect specimens from infants.

# POP 409: PHL Newborn Metabolic Screening Test Kit Fee Increase continued:

## Risks of not moving forward

Oregon's Public Health Lab not have sufficient revenue to meet current operational costs, would fail to meet federal requirements and timelines, and would need to reduce testing services. Oregonians with diseases or metabolic disorders may not be tested in time to prevent severe health consequences or even death.

## Effective date

October 2017 Net Revenue Impact for 2017-2019: \$1,449,200

# POP 409: Oregon Common Credentialing Program Fees

## Proposal

Ratify the establishment of new fees to support the cost of administering the Oregon Common Credentialing Program. The Program, mandated via ORS § 441.226, will centralize the collection, verification, and use of health care practitioner credentialing information to minimize practitioner burdens and redundancy that exists today.

## Rationale

Assure sufficient revenue as designated under statute: through collection of fees from credentialing organizations and practitioners to support the cost of administering the Program.

## Last fee increase

Not applicable

## Who is impacted

Health care practitioners and credentialing organizations (e.g., health plans, CCOs, DCOs, hospitals, health systems, ASCs)

## Risks of not moving forward

The mandated Program will not be sustainable. In addition, OHA has expended planning and implementation costs and is at risk until expenditures are recouped through fees.

## Effective date

Early 2018



**Questions?**