

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2661 - A10

79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Kim To
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Date: 6/21/2017**Measure Description:**

Requires long term care referral provider to register with the Department of Human Services.

Government Unit(s) Affected:

Department of Human Services (DHS), Oregon Judicial Department (OJD)

Summary of Expenditure Impact:

	2017-19 Biennium	2019-21 Biennium
Personal Services	22,942	135,243
Services and Supplies	34,459	48,304
Total General Fund	\$57,401	\$183,547
Personal Services	0	0
Services and Supplies	56,250	56,250
Total Other Funds	\$56,250	\$56,250
Personal Services	22,942	135,243
Services and Supplies	90,709	104,554
TOTAL FUNDS	\$113,651	\$239,797
Positions	2	2
FTE	0.50	1.00

Analysis:

House Bill 2661 specifies that by July 1, 2018, referral agents must provide clients with certain disclosure notice and register with the Department of Human Services (DHS). The bill requires DHS to establish and administer this registry. The bill authorizes DHS to impose civil penalties and establish a \$750 fee to cover program costs. This fee must be renewed every two years. The bill takes effect on passage.

Department of Human Services (DHS)

Assuming 75 referral agents currently doing business in Oregon, DHS estimates the fiscal impact of complying with the provisions of the bill to be \$113,651 Total Funds for the 2017-19 biennium, and \$239,797 Total Funds for the 2019-21 biennium. This amount reflects the personal services and related services and supplies for two part-time positions: one Operations and Policy Analyst 3 position and one Administrative Specialist 2 position to work with existing staff to develop and administer both the registration and enforcement components of the program. The bill authorizes DHS to establish a \$750 fee that must be renewed every two years. DHS is authorized to set the renewal fee by rule, not to exceed \$750. Assuming 75 referral agents doing business in Oregon, fee revenue is estimated at \$56,250 Other Funds a biennium.

The Legislative Fiscal Office (LFO) notes that long-term care referral is an emerging industry, making it difficult to determine a viable number of referral agents doing business in Oregon who will be subject to

the provisions of this bill. In addition, ascertaining the level of compliance and consequently the level of enforcement activity DHS will need to perform is also difficult at this time. If this industry grows, and more than 75 referral agents become active in Oregon, DHS may need less General Fund resources to administer the program. However, if the industry remains small, and only 75 or fewer referral agents are subject to the provisions of this bill, not only will the state be unable to recoup the General Fund investment in this program, the staffing levels and program funding will need to be adjusted, and the sustainability and feasibility of this program will need to be revisited.

Oregon Judicial Department (OJD)

The fiscal impact of this measure on OJD is minimal. The measure allows DHS to impose civil penalties on registered referral agents. Any person affected by agency orders resulting from this bill would have the right to appeal to the Oregon Court of Appeals, and possibly the Oregon Supreme Court. Also, the bill may result in additional Unlawful Trade Practices Act claims filed in circuit courts. However, OJD anticipates the agency can absorb caseload increases within existing resources.