

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3261 - A13**79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Measure Description:

Requires Oregon Health Policy, in collaboration with the Oregon Health and Science University and the Office of Rural Health, to conduct an assessment of the health care workforce needs in Oregon.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Oregon Health Sciences University (OHSU)

Analysis:

HB 3261 requires Oregon Health Policy Board (OHPB) within the Oregon Health Authority (OHA), in collaboration with the Oregon Health and Science University (OHSU) and the Office of Rural Health, to assess the health care workforce needs in Oregon, and evaluate the effectiveness of provider incentive programs. OHPB and OHA are required to report to the Legislature by February 1st in each odd-numbered year. The bill requires that OHA enter into an agreement with OHSU to administer provider incentive programs. The bill is effective on the 91st day after the date on which the 2017 Legislative Assembly adjourns sine die.

The fiscal impact of this bill is \$17.8 million Total Funds, 2 positions, and 2 FTE for the 2017-19 biennium.

OHA estimates the fiscal impact of administering the programs required by the bill, including performing the work to develop the biennial health care workforce assessment, conducting an evaluation on the effectiveness of the incentive programs, and overseeing an expanded Health Care Provider Incentive Fund, to be \$737,044 General Fund. This amount includes personal services and related services and supplies for two positions:

- One Operations and Policy Analyst 3 position to coordinate the work around the health care workforce needs assessment, evaluation of the incentive programs, and to assist the Health Care Workforce Committee and Oregon Health Policy Board in determining priorities.
- One Administrative Specialist 2 to assist with contracting, invoicing, simple data collections, and other administrative tasks.

Included in the Services and Supplies amount is \$345,000 in contract costs. This estimate is based on similar contracts used by the Health Policy & Analytics division in the past. The bill allocates up to \$1 million for OHA to cover these administrative costs.

The bill specifies distribution of moneys in the Health Care Provider Incentive Fund for the 2017-19 biennium as follows:

- \$2.5 million for the Scholars for a Healthy Oregon Initiative.
- \$1 million for scholarship programs similar to Scholars for a Healthy Oregon Initiative at other institutions, in proportion to the training slots at all institutions in the state.
- \$4 million for the Rural Medical Practitioners Insurance Subsidy Program.
- \$4 million for the Primary Care Loan Repayment Fund.
- \$500,000 for the Primary Health Care Loan Forgiveness Program.
- Up to \$1 million for other financial incentives offered by the health provider incentive program created
- Up to \$1 million for administrative expenses

- Up to \$4 million for loans or grants to support communities' plans for addressing the unmet health care workforce needs including funding start-up costs for new health care professional training programs.

These allocations total up to \$18 million. Based on current budgets and budget plans, available moneys in the Health Care Provider Incentive Fund for the 2017-19 biennium is estimated to be approximately \$13.8 million General Fund with a potential of \$4 million Other Funds from OHSU.

In addition to these distributions, \$3.2 million General Fund is included in the OHSU budget to fund the Scholars for a Healthy Oregon Initiative and the Primary Health Care Loan Forgiveness Program for the first year of the biennium.