

HB 3359 A BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Department of Human Services

2017-19

PRELIMINARY

Budget Summary

	2015-17 Legislatively Approved Budget	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ -	\$ -	\$ 1,274,528	\$ 1,274,528	
Federal Funds Limited	\$ -	\$ -	\$ 1,271,273	\$ 1,271,273	
Total	\$ -	\$ -	\$ 2,545,801	\$ 2,545,801	

Position Summary

Authorized Positions	0	0	10
Full-time Equivalent (FTE) positions	0.00	0.00	8.80

Summary of Revenue Changes

House Bill 3359 updates licensing fees for residential care and long term care facilities and changes civil penalties the Department of Human Services (DHS) is authorized to impose on facilities. The bill creates a new license for “conversion” facilities wishing to convert from a long-term care facility to a residential care facility. The civil penalty changes are estimated to generate approximately \$200,000; the updates to application and licensing fees are expected to generate \$425,940 (long term care facilities) and \$502,900 (residential care facilities) for a total of \$1.1 million. The revenue generated from establishing the new conversion fee in the bill, is indeterminate at this point, but will be additive to the total amount of revenue depending on how many facilities convert. DHS will use funds from the increase in initial licensing application fees as well as current balances in the Quality Care Fund (QCF) to support the work required by this bill. Funds existing in the QCF, derived from licensing fees, will be used to fund licensing activities and the revenue derived from fines will be used to fund one-time information technology costs of \$550,000. For the 2017-19 biennium, \$478,055 from QCF will be needed to subsidize the startup work required by this bill.

Summary of Human Services Subcommittee Action

HB 3359 modifies statutes related to licensing and supervision of residential care facilities. It authorizes the creation and imposition of civil penalties and establishes different penalty levels, based on the type of harm caused. The bill establishes the Residential Care Quality Measurement Program in DHS, and creates an eight-member Quality Measurement Council to advise the department regarding the operation of this program.

The bill authorizes DHS to impose a condition on the license of a facility in response to a substantiated finding and requires re-inspection and re-evaluation of a facility within 15 business days of receipt of the facility's written assertion of substantial compliance. DHS must also respond, within five days, to providers with results of the inspections, abuse or a rule violation, whether or not the finding of immediate jeopardy is substantiated at the time the license condition is imposed.

The bill requires DHS to establish a uniform system for residential care facilities to report quality metrics, publish annual reports on performance metrics and develop online training modules to address top issues identified in surveys or other licensing actions. In addition, HB 3359 requires DHS to develop an enhanced oversight and supervision program for residential care facilities; and to develop, in collaboration with residential care facilities, an objective, technology-based, acuity-based staffing tool used to evaluate whether a residential care facility has adequate staffing to meet the 24-hour scheduled and unscheduled needs of each resident. Finally, the bill requires the Oregon Medical Board to encourage physicians to obtain continuing education in the detection and early diagnosis of Alzheimer's disease.

Aging and People with Disabilities

The Subcommittee approved Other Funds expenditure limitation of \$1,274,528, Federal Funds expenditure limitation of \$1,271,273 (\$2,545,801 total funds), and 10 positions (8.80 FTE) to implement and administer the provisions of the bill.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Human Services
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DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS</u>									
Aging and People with Disabilities									
Personal Services	\$ -	\$ -	\$ 803,861	\$ -	\$ 803,861	\$ -	\$ 1,607,722	10	8.80
Services and Supplies	\$ -	\$ -	\$ 470,667	\$ -	\$ 467,412	\$ -	\$ 938,079		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 1,274,528	\$ -	\$ 1,271,273	\$ -	\$ 2,545,801	10	8.80
SUBCOMMITTEE RECOMMENDATION	\$ -	\$ -	\$ 1,274,528	\$ -	\$ 1,271,273	\$ -	\$ 2,545,801	10	8.80