

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2664 - A**

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:**

Specifies criteria for licensing of extended stay centers and requires Oregon Health Authority to adopt rules.

**Government Unit(s) Affected:**

Oregon Health Authority (OHA), Department of Consumer and Business Services (DCBS)

**Analysis:**

House Bill 2664 appropriates an unspecified amount of General Fund to the Oregon Health Authority for the 2017-19 biennium to cover the costs of implementing the provisions of this bill which defines terms related to facilities that are separate from an ambulatory surgical center and that provide post-surgical and post-diagnostic medical and nursing services to patients for whom the attending physician expects an uncomplicated recovery from surgery. The bill directs the Oregon Health Authority (OHA) to adopt rules to implement the licensing program for these extended stay centers (ESC). The bill

- Specifies criteria for ESC licensure that must be included in the adopted rules.
- Authorizes OHA to license up to 16 centers until January 2, 2023, at which time, OHA is authorized to determine the number of licenses to be issued based on need.
- Requires OHA to report to the legislature specified data and information regarding extended stay centers, by September 10, 2022.
- Directs OHA to convene and provide staff support to the extended stay center advisory group. The advisory group must meet at least twice each calendar year. Members of the advisory group are entitled to reimbursement of expenses.
- Authorizes OHA to set the annual license fees for extended stay centers.

Oregon Health Authority (OHA)

	<b>2017-19 Biennium</b>	<b>2019-21 Biennium</b>
General Fund		
Personal Services	320,711	
Services and Supplies	80,728	
<b>Total Funds</b>	<b>\$401,439</b>	
Positions	2	
FTE	2.00	

OHA estimates the fiscal impact of performing the preliminary work to design, establish, and to oversee this new licensing program once it's implemented to be \$401,439 General Fund and 2 FTE for the 2017-19 biennium. The agency anticipates establishing two new positions (one Operations & Policy Analyst 3 position and one Administrative Specialist position) to manage and facilitate this work. Once the licensing program is established, these two positions will transition to work with existing staff to carry out the work of conducting license surveys and building inspections, as well as investigating complaints for extended stay centers. If the licensing program is implemented by January 2018, there will be some Other Funds revenues from fees for the 2017-19 biennium. This amount will depend on the fee established and the number of facilities that apply in the first six months. This fiscal assumes that any fees collected during this period will serve as an operating reserve for the licensing program.

This fiscal only covers the cost of performing the preliminary work to design, establish, and oversee this new licensing program in its initial phase. The fiscal impact of the licensing program for extended stay centers and the annual fee for these centers cannot be quantified until the advisory group work is complete, and OHA adopts rules, and establishes a feasible and sustainable fee structure. For 2019-21, the exact mix of General Fund and Other Funds cannot be quantified until the preliminary work of the advisory group is completed.

Department of Consumer and Business Services (DCBS)

The bill is anticipated to have minimal impact on DCBS. The bill requires the director or designee to serve as an ex officio member of the advisory group. DCBS will use existing staff and resources to participate on the advisory group.