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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)

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 \$200 fee to cover program costs. This fee must be renewed every two years.

Department of Human Services (DHS)

The fiscal impact of this bill on DHS is indeterminate because 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. Ascertaining the level of compliance and consequently the level of enforcement activity DHS will need to perform is also difficult at this time. As a point of reference, assuming a ballpark range of approximately 50 to 150 referral agents currently doing business in Oregon, DHS estimates the fiscal impact of complying with the provisions of the bill to be between \$144,297 to \$392,060 a biennium. This amount reflects a range of part-time staffing for two positions to administer both the registration and enforcement components of the program.

Although the bill authorizes DHS to establish a \$200 fee that must be renewed every two years, the Legislative Fiscal Office is concerned about the feasibility of a sustainable, self-supporting fee structure for the program. Assuming approximately 50 to 150 referral agents doing business in Oregon, fee revenue would range between \$10,000 and \$30,000 Other Funds a biennium. This fee structure will likely result in the program needing General Fund support.

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.