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Measure Description:

Requires Oregon Health Authority and Department of Consumer and Business Services to report to Legislative Assembly each calendar quarter on implementation of requirements to reimburse cost of child abuse medical assessments conducted by community assessment centers.

Government Unit(s) Affected:

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

Analysis:

House Bill 2221 directs the Department of Consumer and Business Services (DCBS) and the Oregon Health Authority (OHA) to report to the Legislative Assembly, every 12 months, on the reimbursement of child abuse medical assessments conducted by community assessment centers. In the report OHA is also required to provide recommendations for action to ensure adequate funding for child abuse intervention services. The bill contains an emergency clause and is effective upon passage. Reporting requirements become operative 30 days after the effective date of the bill.

Oregon Health Authority (OHA)

<Revised to include additional information.>

The comprehensive fiscal impact of this bill on OHA is indeterminate, dependent on the number of Medicaid eligible child abuse medical assessments that will be filed community assessment centers. At this time, OHA cannot predict the bill's potential impact on CCO rates and fee-for-service rates.

The bill requires CCOs to fully reimburse community assessment centers the cost of services (as determined by the community assessment center) for child abuse medical assessments performed on children who are enrolled in CCOs. Claims must be paid no later than 60 days after submission. Although the number of claims and the cost of each claim cannot be predicted and precisely quantified, the following two scenarios provide a frame of reference and a potential range for the fiscal impact. The two scenarios, places the fiscal impact of this bill on the General Fund between \$2,193,498 and \$2,845,953 for the 18 months of the 2017-19 biennium after which CCO rate increases would take effect. Assumptions for arriving at these projections are as follow:

1. Based on testimony regarding the gap between the actual cost of these services and the current average reimbursement, OHA anticipates that the average claim would likely increase by approximately \$1,500. OHA reports that community assessment centers perform roughly 3,026 Medicaid eligible child abuse medical assessments each year. Assuming all claims are filed and adding CCO administrative costs, the projected biennial cost to Medicaid for the 18 months of the 2017-19 biennium could reach \$7,905,425 Total Funds. Assuming a 64% Federal match, the 18 months of the 2017-19 biennium cost would be \$2,845,953 General Fund and \$5,059,472 Federal Funds.
2. Based on information provided by advocates for community assessment centers which estimates an average claim would likely increase by approximately \$740, and an estimated 5,013 Medicaid eligible child abuse medical assessments each year, adding a reduced rate of CCO administrative costs, the projected biennial cost to Medicaid for the 18 months of the 2017-19 biennium could reach \$6,093,051 Total Funds. Assuming a 64% Federal match, the 18 months of the 2017-19 biennium cost would be \$2,193,498 General Fund and \$3,899,553 Federal Funds.

In addition, mandating cost-based reimbursement could increase the costs in both fee-for-service and CCO rates because it will increase the administrative costs of collecting cost reports and developing a cost-based rate unique to each individual provider. Any CCO contract change OHA makes that requires the CCOs to increase their expenditure for services will require increased funding to the CCOs in the form of increased capitation in the global budgets.

Note that if passage of this bill results in an increase in funding from medical assessments reimbursements for community assessment centers, and these centers use the funding to build staffing capacity, it is likely that these centers would be able to provide medical assessments to children that would have otherwise be taken to an emergency room. This could save costs in the long run.

Department of Consumer and Business Services (DCBS)

Passage of the bill is anticipated to have minimal impact on DCBS. The agency will use existing resources to modify data systems to track and collect the data, and compile the reports required by this bill.