

**HB 4020 B BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Rep. Nosse

**Joint Committee On Ways and Means**

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**Action Date:** 02/28/18

**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

**House Vote**

**Yeas:** 11 - Gomberg, Holvey, McLane, Nathanson, Noble, Rayfield, Smith G, Smith Warner, Stark, Whisnant, Williamson

**Senate Vote**

**Yeas:** 10 - DeBoer, Frederick, Girod, Hansell, Johnson, Manning Jr, Monroe, President Courtney, Steiner Hayward, Thomsen

**Exc:** 2 - Roblan, Winters

**Prepared By:** Tom MacDonald, Department of Administrative Services

**Reviewed By:** Kim To, Legislative Fiscal Office

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**Oregon Health Authority  
2017-19**

**Budget Summary\***

	2017-19 Legislatively Adopted Budget		2018 Committee Recommendation		Committee Change From 2017-19 Leg. Adopted		
					\$ Change	% Change	
General Fund	\$	-	\$	245,991	\$	245,991	100.0%
Other Funds	\$	-	\$	206,628	\$	206,628	100.0%
Federal Funds	\$	-	\$	45,946	\$	45,946	100.0%
Total	\$	-	\$	498,565	\$	498,565	100.0%

**Position Summary**

Authorized Positions	0	1	1
Full-time Equivalent (FTE) Positions	0.00	0.58	0.58

\* Excludes Capital Construction Expenditures

**Summary of Revenue Changes**

House Bill 4020 appropriates \$245,991 General Fund, increases Other Funds expenditure limitation by \$206,628, increases Federal Funds expenditure limitation by \$45,946, and establishes one position (0.58 FTE) in the Oregon Health Authority (OHA) to support new requirements related to the licensure of extended stay centers.

**Summary of Human Services Subcommittee Action**

House Bill 4020 defines the criteria for the establishment and licensure of extended stay centers (ESCs), a new type of health care facility in Oregon. ESCs are facilities providing post-surgical and post-diagnostic medical and nursing services to patients recovering from surgical procedures performed in an ambulatory surgical center. The intent of these centers is to offer patients a less expensive option compared to inpatient hospital recovery. In terms of implementing a new licensure program for ESCs, the bill requires the following from OHA:

- Prescribe rules and procedures for licensing ESCs no later than 180 days after the effective date of the act;
- Establish a one-time fee of no more than \$25,000 for each ESC license;

- Report to the legislature on the implementation of the licensing program by December 31, 2022;
- Mitigate barriers to, and facilitate the reimbursement of, ESCs with medical assistance funds;
- Apply to the Federal Centers for Medicare and Medicaid Services (CMS), no later than January 1, 2019, for approval of a demonstration project or other authorization to permit the state to receive federal financial participation for the costs of extended stay services and to permit ESCs and ambulatory surgical centers to operate under a single license; and
- Report to the interim legislative health care committees on the status of the application with CMS no later than July 1, 2019.

The bill allows OHA to request ESC discharge abstract records covering all patients admitted during the preceding year; ESC discharge abstract records must include information prescribed by the authority in rule. Additionally, the bill requires the Health Evidence Review Commission (HERC) in OHA to develop evidence-based guidelines regarding the patient characteristics and surgical procedures appropriate for ambulatory surgical centers and ESCs. The Commission must provide a report of the timeline and plan for implementing the guidelines to the legislature during the 2019 regular session.

The Subcommittee adopted an amendment appropriating \$245,991 General Fund, increasing Other Funds expenditure limitation by \$206,628, increasing Federal Funds expenditure limitation by \$45,946, and adding one position (0.58 FTE) to support OHA's costs of implementing the bill's requirements in the 2017-19 biennium. The General Fund appropriation is necessary to support costs related to modifying systems to license ESCs (\$100,045), partially funding a part-time, limited duration Operations and Policy Analyst position in the Health Policy and Analytics Division to create the implementation plan for the ESC licensing program (\$45,946), and hiring a contractor to develop the report required of HERC (\$100,000). The Other Funds and Federal Funds expenditure limitation increases reflect the anticipated licensing fee revenue and corresponding federal matching funds to support the remaining costs of the limited-duration Operations and Policy Analyst position and to make an existing part-time Client Care Surveyor position in the Public Health Division full-time to help license new ESC facilities, conduct on-site inspections, review complaints, provide technical assistance, train staff, and conduct enforcement actions.

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Health Authority  
Tom MacDonald -- 503-586-6689

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>SUBCOMMITTEE ADJUSTMENTS</b>									
<b>SCR 010-45 - Shared Services</b>									
Personal Services	\$ -	\$ -	\$ 100,045	\$ -	\$ -	\$ -	\$ 100,045	0	0.00
<b>SCR 030-02 - Health Policy and Analytics</b>									
Personal Services	\$ 136,325	\$ -	\$ -	\$ -	\$ 36,280	\$ -	\$ 172,605	1	0.33
Services and Supplies	\$ 109,666	\$ -	\$ -	\$ -	\$ 9,666	\$ -	\$ 119,332		
<b>SCR 030-05 - Public Health Division</b>									
Personal Services	\$ -	\$ -	\$ 49,117	\$ -	\$ -	\$ -	\$ 49,117	0	0.25
Services and Supplies	\$ -	\$ -	\$ 57,466	\$ -	\$ -	\$ -	\$ 57,466		
<b>TOTAL SUBCOMMITTEE ADJUSTMENTS</b>	<b>\$ 245,991</b>	<b>\$ -</b>	<b>\$ 206,628</b>	<b>\$ -</b>	<b>\$ 45,946</b>	<b>\$ -</b>	<b>\$ 498,565</b>	<b>1</b>	<b>0.58</b>