

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2257 - 1

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Kim To
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Date: 2/5/2019**Measure Description:**

Declares legislative intent to consider substance use disorder as chronic illness.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Department of Corrections (DOC), County Local Correctional Facilities, Public Employees Benefits Board (PEBB) and Oregon Educators Benefit Board (OEBB), Board of Pharmacy, Board of Dentistry

Summary of Fiscal Impact:

Costs related to the measure will require budgetary action - See analysis.

Summary of Expenditure Impact:

	2019-21 Biennium	2021-23 Biennium
Oregon Health Authority (OHA)		
Personal Services	198,067	
Services and Supplies	39,470	
Special Payments	4,762,463	
Total OHA	\$5,000,000	\$0
Positions	1	
FTE	1.00	
Department of Corrections (DOC)		
Personal Services	119,035	
Services and Supplies	7,239	
Total DOC	\$126,274	\$0
Positions	1	
FTE	0.50	
TOTAL GENERAL FUND	\$5,126,274	\$0
Positions	2	0
FTE	1.50	0.00

Analysis:

HB 2257 with the -1 amendment appropriates \$5 million from the General Fund to the Oregon Health Authority (OHA) to establish, in four counties, a pilot program offering treatment for substance use disorders to pregnant individuals, including working with peer mentors and doulas. Counties selected for this pilot program must report, at least twice a year, to each other and to OHA regarding the progress of the pilot program. This pilot program sunsets on January 2, 2022. OHA must report to the Legislature regarding this pilot program by December 31st of 2019, 2020, and 2021. The measure declares an emergency and takes effect on passage.

The measure also directs OHA to convene an advisory group to establish accreditation requirements for substance use disorders treatment programs. This advisory group must provide recommendations for the requirements by June 30, 2020. OHA must implement the accreditation requirements for substance use disorders treatment programs by January 2, 2021.

In addition, the measure:

- Prohibits public payers of health insurance from requiring prior authorization of payment during the first 30 days of treatment when reimbursing the cost of treating substance use disorders.
- Makes changes to the OHA prescription monitoring program, including adding gabapentin to the list of drugs, adding physicians employed by a coordinated care organization to the definition of medical director, adding dental managing directors to the list of providers, and adding the diagnosis code used by the practitioner and the reason for the prescription to the list of information that pharmacies and other providers must report.
- Specifies that sterile needles and syringes and other items provided by a syringe service program are not considered drug paraphernalia.

Furthermore, the measure:

- Requires the Department of Corrections (DOC) to study the continuity of care for persons in state correctional facilities, focusing on individuals experiencing substance use disorders, and report findings to the Legislature by July 1, 2020.
- Directs counties that operate a jail or prison that holds individuals for more than 36 hours to study the continuity of care for persons in these facilities, focusing on individuals experiencing substance use disorders, and report findings to DOC by December 31, 2019. The report must include proposals for how the county will initiate and maintain diagnosis, treatment and continuity of care for those in custody.

Oregon Health Authority (OHA)

OHA estimates the fiscal impact of complying to the requirements of this measure to be \$5,000,000 General Fund, one limited duration position, and 1.00 FTE for the 2019-21 biennium. This estimate assumes personal services and related services and supplies for one limited duration Operations and Policy Analyst 3 position to oversee the pilot program. This position will be responsible for coordinating with counties, managing contracts, and complying with reporting requirements. The remaining \$4,762,463 will fund the pilot program's community-based contracts.

OHA will use existing staff and resources to convene the advisory group to establish accreditation requirements for substance use disorders treatment programs, as well as to make changes to prescription monitoring program required by the measure. However, the fiscal impact to implement the accreditation requirements for substance use disorders treatment programs by January 2, 2021 is indeterminate depending on the recommendations of the advisory group.

Department of Corrections (DOC)

DOC estimates the fiscal impact of complying with the requirements of this measure to be \$126,274 General Fund, 1 limited duration position, and 0.50 FTE for the 2019-21 biennium. This amount reflects the cost of one full-time Operations & Policy Analyst 4 position for 12 months to facilitate the required study by: (1) coordinating and overseeing the investigation of the current assessment and diagnostic process used by DOC to identify substance use disorder; (2) working across divisions to identify, report on, and recommend changes to how treatment is delivered in DOC and how continuity of care is addressed; (3) collaborating with community corrections agencies and the Oregon Health Authority; (4) reaching out to other states to document best practices for creating a seamless continuity of care for individuals in DOC custody; and (5) identifying the costs and resources needed to implement change.

Public Employees Benefits Board (PEBB), Oregon Educators Benefit Board (OEBB),
Board of Pharmacy, Board of Dentistry

Passage of this bill is anticipated to have minimal impact to PEBB, OEBB, the Board of Pharmacy, and the Board of Dentistry.

County Local Correctional Facilities

At this time, the fiscal impact of conducting the study and reporting to DOC as required by this measure on county local correctional facilities is indeterminate. According to DOC, there are 30 adult county local facilities and 11 juvenile local facilities that may fall under the requirements of this measure. These affected local facilities will have to reprioritize staffing and resources to study the continuity of care, and report to DOC by December 31, 2019 on proposals for how the county will initiate and maintain diagnosis, treatment, and continuity of care for those in custody.