

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3000**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: March 20, 2019**Measure Description:**

Directs Department of Human Services to deduct expenses for medically necessary guardianship services from recipient's income when calculating eligibility for assistance provided by Oregon Supplemental Income Program.

Government Unit(s) Affected:

Department of Human Services (DHS), Oregon Health Authority (OHA)

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
General Fund		
Deductions		
Special Payments	1,890,000	1,890,000
Total Deductions	\$1,890,000	\$1,890,000
IT Systems		
Personal Services	19,227	
Services and Supplies	15,038,360	
Total IT Systems	\$15,057,587	
Total General Fund	\$16,947,587	\$1,890,000

Analysis:

HB 3000 requires the Department of Human Services (DHS) to deduct expenses for medically necessary guardianship services from recipients' income when calculating eligibility for assistance provided by the Oregon Supplemental Income Program (OSIP). The bill defines medically necessary guardianship services as those that are necessary for the recipient to receive non-emergent medical care and services from licensed medical service providers. The bill specifies that expenses incurred for medically necessary guardianship services include court filing fees, attorney fees and court visitor fees incurred by the recipient and related to initiating the protective proceeding.

The fiscal impact of this bill on DHS is \$16,947,587 General Fund for the 2019-21 biennium and \$1,890,000 General Fund for the 2021-23 biennium.

DHS estimates the fiscal impact of deductions for medically necessary guardianship services to be \$1,890,000 General Fund per biennium. Under current practice, long-term care consumers have a Client Liability (the amount clients contribute toward the cost of their care). If the costs of guardianship services are deducted from consumers' income, their Client Liability will be reduced, requiring DHS to supplement this cost of care contribution. DHS projected this amount based on the prediction that 350 Long-Term Care Services clients would be impacted by this bill; assuming at least one to three hours of guardianship services per month at a total cost of \$300 per month per individual. Operationally, actual costs for medically needy guardianship services would be

evaluated monthly with the Client Liability adjusted accordingly; this is consistent with how other medical costs are treated under the program.

In addition to the cost of deductions for medically necessary guardianship services, DHS and its information technology services partner/provider, the Oregon Health Authority, would need to modify its information systems to add functionality necessary to incorporate deduction expenses. Systems updates will impact the Oregon ACCESS, Client Management, and Integrated Eligibility (IE) systems. The total cost for this work is estimated at \$15,057,754 General Fund; the bulk of these costs are for an estimated 8-week delay in the IE system project.

At this time, DHS assumes the fiscal impact of this bill will be covered by General Fund, but the agency will request authority from the Centers for Medicaid Services for a Federal Funds match.

This measure requires budgetary action for the allocation of General Fund resources.