

FISCAL IMPACT OF PROPOSED LEGISLATION

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

Measure: SB 770 - 1

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Date: April 8, 2019

Measure Description:

Establishes the Universal Health Care Commission.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Legislative Assembly, Legislative Policy and Research Office (LPRO)

Summary of Fiscal Impact:

Costs related to the measure are indeterminate, at this time - See analysis.

Analysis:

SB 770 with the -1 amendment establishes the 18-member Universal Health Care Commission to design the Health Care for All Oregon Plan, a universal health care system that is equitable, affordable, comprehensive, provides high quality health care, and is publicly funded and available to every individual residing in Oregon. The measure stipulates that the Health Care for All Oregon Plan is to be administered by the Health Care for All Oregon Board. The measure specifies commission membership, outlines the requirements of findings and recommendations to be made by the commission, and details the requirements for the Health Care for All Oregon Plan and the Health Care for All Oregon Board. The Legislative Policy and Research Director is required to provide staff support to the commission. The measure authorizes the commission to apply for public and private grants for the costs of research. Members of the commission are entitled to compensation and expenses. Members of the advisory or technical committees are not entitled to compensation but are entitled to reimbursement of expenses. The commission must hold its first meeting by November 1, 2019 and report its progress in preparing the recommendations for the Health Care for All Oregon Plan and Board to the Legislature by March 15, 2020. The commission must submit its final findings and recommendations to the Legislature by February 1, 2021.

Legislative Policy and Research Office (LPRO)

The total fiscal impact of this measure on LPRO is indeterminate depending on the scope of work undertaken by the commission. The measure requires LPRO to provide staff support to the commission. Although the 2019-21 Legislative Branch budget should contain funds allocated for LPRO support of interim committees and commissions, the measure charges the commission with carrying out wide-ranging activities that may require outside expertise and additional resources, including:

- Establishing advisory or technical committees. These committees may be temporary or continuing.
- Applying for public and private grants from nonprofit organizations for the costs of research.
- Reviewing the work from existing health care professional boards and commissions.

If the commission determines that it would need to contract these activities to a consultant with specialized expertise, it is assumed that LPRO would be required to fund these activities. These costs cannot be quantified until the commission convenes and defines the scope of these activities. In addition, the measure stipulates that members of the commission are entitled to compensation and reimbursement of expenses. Members of the advisory and technical committees are also entitled to expense reimbursement. Assuming a per diem of \$125 for commission members, and that the commission will meet twice a month during the 15-month timeframe, compensation and reimbursement costs are estimated at \$67,500 General Fund for the 2019-21 biennium. Reimbursement expenses for advisory or technical committee members cannot be quantified until the commission convenes and appoints advisory and technical committees.

Oregon Health Authority (OHA)

The fiscal impact of this measure on OHA is indeterminate depending on the level of assistance the commission and LPRO will require of OHA. As written, the measure only requires OHA's participation as a non-voting member on the Commission. However, because of the subject matter, OHA anticipates the commission may need data and research from OHA in order to comply with the provisions of the measure. According to OHA's assumptions regarding the potential level of assistance the agency may need to provide to the commission, OHA estimates the cost of conducting research and compiling data within the timeframe required by the measure to be \$704,534 General Fund and three positions (2.37 FTE). This amount reflects \$200,000 in consulting fees for subject matter experts and the staffing cost of three limited duration positions:

- One Operations and Policy Analyst 4 position to coordinate the work and lead policy development.
- One Research Analyst 3 to conduct specific research needed to facilitate findings and commission recommendations.
- One Operations and Policy Analyst 3 position to develop and design reports.

Legislative Assembly

The bill specifies that non-legislative members of the commission serve as volunteers and are not entitled to compensation and reimbursement. However, four members of the commission will be legislative members who are entitled to per diem and travel reimbursement. The estimated per diem and travel reimbursement cost for the four legislative members is \$841 per day. This amount includes the Federal Insurance Contribution Act (FICA) tax and assumes per diem remains at \$149 per day, and the average mileage of 90 miles remains at the current rate of \$0.58 per mile. Although the 2019-21 Legislative Assembly budget contains funds allocated for interim committees and task forces, if the work required by this commission, or if the cumulative enactment of other legislation with interim committees and task forces exceeds expenditure levels beyond those assumed in the 2019-21 budget, additional General Fund resources may be required. The commission would not incur additional costs to the Legislative Assembly budget if the meetings are held at the Capitol building during Legislative Session, Task Force, or Legislative Days.