

**FISCAL IMPACT OF PROPOSED LEGISLATION**

Measure: HB 2257 - A5

80th Oregon Legislative Assembly – 2019 Regular Session  
Legislative Fiscal Office*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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**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
<b>General Fund</b>		
Personal Services	198,067	
Services and Supplies	39,470	
Special Payments	2,262,463	
<b>Total General Fund</b>	<b>\$2,500,000</b>	<b>\$0</b>
Positions	1	
FTE	1.00	

**Analysis:**

HB 2257 with the -A5 amendment directs the Oregon Health Authority (OHA) to establish, in up to 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 31<sup>st</sup> 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 advise the authority on its 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 disorder treatment programs by January 2, 2021.

In addition, the measure:

- Prohibits coordinated care organizations and 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. The measure allows DOC to collaborate with counties that operate a jail or prison that holds individuals for more than 36 hours to collect data regarding persons in custody experiencing substance use disorders.

#### Oregon Health Authority (OHA)

The fiscal impact of this measure, as modified by the -A5 amendment, depends on the number of counties involved in the pilot program and corresponding availability of funds. Currently, \$2,500,000 is anticipated to be available for the pilot program in 2019-21. At this level, OHA anticipates needing one limited duration Policy Analyst 3 position (1.00 FTE) position to oversee the pilot program. This position will be responsible for coordinating with counties, managing contracts, and complying with reporting requirements. The remaining \$2,262,463 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 disorder 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 reports that it will use existing staff and resources to: (1) coordinate and oversee the investigation of the current assessment and diagnostic process used by DOC to identify substance use disorders; (2) work across divisions to identify, report on, and recommend changes to how treatment is delivered in DOC and how continuity of care is addressed; (3) collaborate with community corrections agencies and the Oregon Health Authority; (4) reach out to other states to document best practices for creating a seamless continuity of care for individuals in DOC custody; and (5) identify the costs and resources needed to implement change. However, the Legislative Fiscal Office (LFO) is concerned that the agency may not have the capacity to do this work. The agency's decision to absorb costs could put upward cost pressure not only on the agency's budget, but also the State's General Fund. Such decisions could lead to agency requests from a future Legislature or Emergency Board for more General Fund through the rebalance process.

#### 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

The measure allows DOC to collaborate with counties that operate a jail or prison that holds individuals for more than 36 hours to collect data regarding persons in custody experiencing substance use disorders. This fiscal assumes that these facilities will use existing staff and resources to work with DOC.