

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 735 - A

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Kim To
Reviewed by: Tom MacDonald
Date: April 9, 2019**Measure Description:**

Requires health outcome and quality measures adopted by Health Quality Metrics Committee to include hospital measures and to be applied to health benefit plans sold in this state, not to only health benefit plans sold through health insurance exchange or covering public employees.

Government Unit(s) Affected:

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		
Personal Services	633,355	863,327
Services and Supplies	235,451	175,610
Total General Fund	\$868,806	\$1,038,937
Positions	5	5
FTE	3.21	4.25

Analysis:

SB 735:

- Adds three new members to Health Quality Metrics Committee (HQMC).
- Directs the HQMC to collaborate with Public Employees' Benefit Board (PEBB), Oregon Educators Benefit Board (OEBB), and the Department of Consumer and Business Services (DCBS) to adopt measures of health outcomes and health care quality.
- Expands scope of HQMC and requires the committee to identify measure or health outcomes and health care quality applicable to: (1) health care provided by coordinated care organizations; (2) inpatient and outpatient services provided by hospitals; and (3) health care paid for by health benefit plans sold in Oregon.
- Requires each carrier offering a health benefit plan in Oregon to have a quality assessment program that enables the insurer to evaluate, maintain and improve the quality of health services provided to enrollees using, at a minimum, the health outcome and quality measures adopted by HQMC.

The Oregon Health Authority (OHA) estimates the fiscal impact of this bill to be \$868,806 General Fund and 5 positions (3.21 FTE) for the 2019-21 biennium; and \$1,038,937 General Fund and 5 positions (4.25) FTE for the 2019-21 biennium. OHA reports that the new requirements in this bill would increase the workload for the Office of Health Analytics which would be required to produce reports for the plans included in the All Payer All Claims (APAC) database and coordinate reporting for plans outside of APAC. This work would require the following positions:

- Two Research Analyst 4 positions to calculate the metrics for Medicaid and hospitals, and use APAC for commercial plans and comparative metrics across the state.
- One Operations and Policy Analyst 4 position to oversee program direction and materials, performing outreach and coordinating with stakeholders, leadership, and committees.
- One Operations and Policy Analyst 3 position to manage annual information on metric updates from metric stewards.
- One Operations and Policy Analyst 2 position to report and consolidate cyclical findings and post information for public access.

Included in services and supplies is \$90,000 to contract with subject matter experts to assist OHA in consolidating metrics in a meaningful manner for reporting.