

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3076 - B

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:

Requires nonprofit hospitals and hospital systems to establish financial assistance policies meeting specified criteria.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Department of Consumer and Business Services (DCBS)

Summary of Fiscal Impact:

Quantifiable costs related to the measure will require budgetary action. In addition, the fiscal impact includes elements that are indeterminate, at this time - See analysis.

Summary of Expenditure Impact:

	2019-21 Biennium	2021-23 Biennium
Personal Services		198,067
Services and Supplies		39,470
Total Funds		\$237,537
Positions		1
FTE		1.00

Analysis:

HB 3076 B-Engrossed establishes consumer rights with respect to billing and charges for hospital services, and requires nonprofit hospitals and hospital systems (excluding the Oregon State Hospital, Veterans Affairs, and federal hospitals) to:

- Have written financial assistance policies for adjusting patient costs. The bill outlines eligibility requirements for assistance and include requirements for communicating information about the program to patients. Hospitals and non-profit hospital-affiliated clinics would not be permitted to charge interest on medical debt owed by patient qualifying for financial assistance. Interest on medical debt owed by patients not eligible for assistance would be limited to a specific amount.
- Conduct screenings, upon request, to determine if patients qualify for financial assistance.
- Conduct a screening, before transferring unpaid debt to collections for financial assistance qualifications and provide a copy of the policy to the patient along with an application for assistance.
- Post certain information on the entity’s website, including information relating to its community health care needs assessment and a three-year strategy to address community health care needs.
- Report specified information to the Oregon Health Authority (OHA).

In addition, the bill stipulates that insurers cannot prohibit hospitals from waiving all or part of copayments or deductibles as a condition of reimbursement for services under policy or certificate of insurance. The bill directs OHA to establish, every two years, a community benefit spending floor for each hospital and the non-profit hospital’s affiliated clinics. OHA is required to report to the Legislature by December 31, 2022.

Oregon Health Authority (OHA)

The bill does not have a fiscal impact on OHA for the 2019-21 biennium. OHA estimates the fiscal impact of this bill to be \$237,537 General Fund and one position (1.00 FTE) for the 2021-23 biennium. This amount reflects the staffing cost of one Operations and Policy Analyst 3 position with expertise in the economics of health care to assist existing staff with establishing a community benefit spending floor for each hospital and the non-profit hospitals' affiliated clinics. This position will work with hospitals and clinics to ensure input from stakeholders and the public in adopting methodologies for hospitals and clinics to report data and apply the community benefit spending floors. Each hospital shall be provided the opportunity to select the applicable methodology from those adopted by the authority by rule.

Public Employees' Benefit Board (PEBB), Oregon Educators Benefit Board (OEBB)

According to Mercer, PEBB actuarial consultant, and Willis Towers Watson, OEBB actuarial consultant, passage of this bill could possibly lead to a loss of revenue and higher business costs. However, at this time, there is not enough information to quantify the impact or determine the impact on premium rates.

Department of Consumer and Business Services (DCBS)

This bill is anticipated to have no fiscal impact on DCBS. Passage of this bill is not expected to increase the agency's Insurance Division regulatory activities.