

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 557 - 1**81st Oregon Legislative Assembly – 2021 Regular Session  
Legislative Fiscal Office***Only Impacts on Original or Engrossed  
Versions are Considered Official***Prepared by: Haylee Morse-Miller  
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Date: March 15, 2021**Measure Description:**

Establishes COFA Dental Program in Oregon Health Authority to provide dental care to low-income citizens of Pacific Islands in Compact of Free Association who reside in Oregon and lack access to affordable dental coverage.

**Government Unit(s) Affected:**

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

**Summary of Fiscal Impact:**

Costs related to the measure may require budgetary action - See analysis.

**Summary of Expenditure Impact:**

	<b>2021-23 Biennium</b>	<b>2023-25 Biennium</b>
General Fund	\$802,359	\$74,294
Other Funds	293,918	
Federal Funds	1,533,279	
<b>Total Funds</b>	<b>\$2,629,556</b>	<b>\$74,294</b>
Positions	0	0
FTE	0.00	0.00

**Analysis:**

SB 557 - 1 establishes the Compact of Free Association (COFA) Dental Program in the Oregon Health Authority (OHA) to be administered in collaboration with the Department of Consumer and Business Service (DCBS). The program is to provide oral health care to low-income citizens of COFA nations who reside in Oregon. Enrollees are eligible for the types and extent of oral health care OHA determines will be provided to medical assistance recipients, with no copayments, deductibles, or cost-sharing required. The measure outlines qualification requirements, and requires OHA to create an application process for the program that includes culturally and linguistically appropriate assistance in-person and by phone for applicants and enrollees. The measure includes a blank General Fund appropriation to OHA to carry out this measure.

OHA estimates that this measure would provide dental coverage for approximately 100 individuals. The costs to provide dental coverage for COFA citizens is estimated to be \$74,294 General Fund each biennium. Covered individuals would be people who are over 65 years old and have an income of less than 138 percent of federal poverty guidelines, as many people in this category are not eligible for Medicaid. The - 1 amendment includes individuals who qualify for medical assistance through the Oregon Supplemental Income Program as also eligible for coverage; these individuals are largely covered by the Oregon Health Plan Plus, which includes dental benefits, so no additional costs are anticipated as a result of this requirement.

Additional costs of this measure in 2021-23 are estimated at \$1,595,262 total funds for OHA, and \$960,000 total funds for the Department of Human Services (DHS); these costs are largely related to modifications to the

agency's ONE system to determine eligibility for new medical benefits under this measure, and to interface with the Medicaid Management Information System, along with other system updates. As executive branch agencies, OHA and DHS must comply with office of the State Chief Information Officer information technology investment oversight and independent quality management services policies and related statutes. Although undetermined at this time, additional costs related to IT project management and independent quality management services may be incurred.

There is no fiscal impact anticipated for DCBS. DCBS currently administers the COFA Premium Assistance Program; this program would be transferred to OHA with the passage of HB 2041 (2021) which is currently under consideration by the legislature. If this transfer does not occur, then under SB 557 - 1, DCBS would be required to perform outreach for the COFA Dental Program. DCBS anticipates this can be accomplished using current resources.