

**FISCAL IMPACT OF PROPOSED LEGISLATION**

Measure: HB 3159 - A7

81st Oregon Legislative Assembly – 2021 Regular Session  
Legislative Fiscal Office*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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**Measure Description:**

Requires health care provider and health insurer to collect from patient, client or member data on race, ethnicity, preferred spoken and written languages, disability status, sexual orientation and gender identity.

**Government Unit(s) Affected:**

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

**Summary of Expenditure Impact:**

	2021-23 Biennium	2023-25 Biennium
General Fund	\$9,768,195	\$10,408,785
Other Funds	5,624,767	5,111,389
Federal Funds	2,842,387	3,430,162
<b>Total Funds</b>	<b>\$18,235,349</b>	<b>\$18,950,336</b>
Positions	43	43
FTE	32.25	43.00

**Analysis:**

HB 3159 - A7 requires coordinated care organizations (CCOs), health care providers or a health care provider’s designee, or health insurers to collect data on race, ethnicity, preferred spoken and written languages, disability status, sexual orientation, and gender identity from the organization’s patients, clients, or members, and provide this data to the Oregon Health Authority (OHA) each year. Data is confidential and may not be used to make any decisions regarding insurance coverage. OHA may provide incentives to entities impacted by this measure to assist with the costs of making changes to electronic health records systems to make sure this data is collected, and may impose civil penalties for violations.

OHA is directed to establish a system to collect the data required by this measure. OHA is to report to the appropriate committees of the Legislative Assembly no later than June 1, 2022 and then every two years on implementation of this program. OHA is to develop and administer a grant program to provide funding to support safe data collection by community health organizations and community-based groups. Grant recipients must provide culturally responsive, trauma-informed trainings on data collection.

These portions of the measure are operative January 1, 2022; the measure takes effect the 91st day after the Legislative Assembly adjourns sine die.

**Oregon Health Authority**

The Oregon Health Authority (OHA) anticipates impacts across the agency in relation to this measure. The fiscal impact of this measure is estimated at \$9.8 million General Fund, \$5.6 million Other Funds, and \$2.8 million Federal Funds, and includes 43 positions (32.25 FTE in 2021-23). Costs in 2023-25 total \$10.4 million General Fund, \$5.1 million Other Funds, and \$3.4 million Federal Funds and include 43 positions (43.00 FTE). These costs

largely reflect the fiscal impact of standing up this project; some divisions in OHA plan to submit Policy Option Packages to request additional funding and positions once project planning is complete, which means this fiscal is not inclusive of all costs in the 2023-25 biennium.

The 2021-23 Governor's Budget for OHA includes investments of \$2.4 million for collection of race, ethnicity, language, and disability data; and \$5.0 million for collection of sexual orientation/gender identity data. Some of the funding from the Governor's Budget may overlap with the costs outlined here.

#### *Office of Equity Inclusion*

OHA's Office of Equity and Inclusion anticipates costs totaling \$11,337,306 total funds in 2021-23 and \$12,215,098 total funds in 2023-25, which includes 23 positions (17.25 FTE in 2021-23, 23.00 FTE in 2023-25). Funding splits are based on cost allocation models used by different divisions within the agency.

The 23 positions included in this fiscal are all permanent, full-time positions and include one Principal Executive Manager G, two Principal Executive Manager Fs, seven Operations and Policy Analyst 4s, three Operations and Policy Analyst 3s, four Program Analyst 3s, three Research Analyst 3s, one Administrative Specialist 2, one Fiscal Analyst 2, and one Executive Support Specialist 2. These positions will be responsible for ensuring that data collection, storage, and reporting requirements are met; working with health care providers and insurers on data collection; working with impacted communities to ensure implementation; development of communications and training for stakeholders and staff; compliance monitoring; and administrative support.

In addition to the costs for the 23 new positions and any position-related Services and Supplies, OEI also anticipates costs totaling \$1,280,020 total funds related to hiring outreach; development of an equity and anti-racism training for staff, community partners, and stakeholders; contracting with consultants for learning collaboratives and technical assistance with data collection; and grants to community based organizations and tribes for training and technical assistance. Additionally, there are General Fund and Federal Funds expenditures of \$5,482,686 total funds in 2021-23 and \$4,924,543 total funds in 2023-25; this is the amount that the Shared Services Division direct charges to this Division, and which is then expended as Other Funds (see Shared Services section below).

#### *Shared Services*

OHA's Shared Services Division anticipates costs totaling \$5,482,686 Other Funds in 2021-23 and \$4,924,543 Other Funds in 2023-25, which includes 15 positions (11.25 FTE in 2021-23, 15.00 FTE in 2023-25). The Shared Services Division will need to update, reconfigure, and create various data systems to include data related to race, ethnicity, preferred spoken and written languages, disability status, sexual orientation, and gender identity.

Costs for Shared Services under this measure in 2021-23 include:

- 15 positions to begin project planning, which includes one Principal Executive Manager - F, five Information Systems Specialist 8s, six Information Systems Specialist 7s, two Operations and Policy Analyst 4s, and one Project Manager 2;
- An estimated \$1.5 million in Professional Services costs, for a data vendor to support project planning and business case development;
- An estimated \$300,000 in IT Professional Services costs; and,
- An estimated \$420,000 for software licensing.

Estimated costs for 2023-25 currently include the continuation of the 15 new positions created in 2021-23, as well as an estimated \$1.9 million in Services and Supplies costs similar to those included above. The Shared Services Division notes that there will be additional costs in the 2023-25 biennium after program planning is complete, and that the agency will plan to submit a Policy Option Package as part of the 2023-25 budget development cycle to request additional positions and funding to implement this measure.

The Legislative Fiscal Office (LFO) notes that implementation of this measure includes an information technology component that will require OHA to comply with the state's IT investment oversight policies and processes. Therefore, the information technology pricing component of this impact statement serves as a preliminary approximation. If this measure passes, OHA will have to: (1) complete business requirements analysis; (2) develop a business case; (3) hire/assign or contract with qualified and experienced project management or other professional staff resources; (4) obtain, via contract, independent quality management services, (5) develop foundational project management plans to demonstrate the feasibility of the project and its scope, as well as refined cost and schedule estimates, and (6) ensure appropriate data security and privacy measures control project implementation, pursuant to protocols developed by the Office of the State Chief Information Officer and LFO within the Joint Stage Gate Review process.

#### *Health Systems*

OHA's Health Systems Division anticipates a fiscal impact of \$829,328 total funds in 2021-23, and at least \$1,087,917 total funds in 2023-25. This includes four new permanent, full-time positions (each 0.75 FTE in 2021-23, and 1.00 FTE in 2023-25):

- One Operations and Policy Analyst 4, who will oversee strategic use of data and program planning;
- One Operations and Policy Analyst 4, who will work with CCOs to align exchange of data;
- One Operations and Policy Analyst 3, who will work with the OHA Office of Equity and Inclusion to align Health Systems Division systems with data collection requirements, and support data collection and reporting; and,
- One Operations and Policy Analyst 3, who will identify and mitigate risks for the Medicaid Management Information System due to changes to the agency's ONE system.

The Health Systems Division notes that there may be additional costs in the 2023-25 biennium after program planning is complete, and that the agency will plan to submit a Policy Option Package as part of the 2023-25 budget development cycle to request additional positions and funding to implement this measure.

#### *Health Policy and Analytics*

OHA's Health Policy and Analytics Division anticipates needing one permanent, full-time Operations and Policy Analyst 4 position (0.75 FTE in 2021-23, 1.00 FTE in 2023-25). The total cost of this position is estimated at \$217,741 General Fund in 2021-23 and \$286,458 General Fund in 2023-25. This position will support external health care providers and insurers in data collection under this measure.

#### *Public Health*

OHA's Public Health Division reports an indeterminate cost. OHA will need to undertake rulemaking that includes criteria to exempt certain health care providers from the reporting requirements under this measure. Public Health could have costs related to onboarding providers who are not part of the current patient care reporting system, depending on the rules adopted.

#### **Other state agencies**

The Department of Human Services anticipates a minimal fiscal impact related to updates to the agency's ONE system.

There is no fiscal impact for the Department of Consumer and Business Services.