

## FISCAL IMPACT OF PROPOSED LEGISLATION

81st Oregon Legislative Assembly – 2021 Regular Session  
Legislative Fiscal Office

Measure: HB 3352 - A4

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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### Measure Description:

Renames Health Care for All Oregon Children program as Cover All People program and expands eligibility to adults who would qualify for Medicaid-funded state medical assistance program but for their immigration status.

### 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.

### Analysis:

HB 3352 - A4 renames the “Health Care for All Oregon Children” program to the “Cover All People” program. This measure expands health care coverage to adults who would be eligible for medical assistance, but for their immigration status. This measure includes a \$100.0 million General Fund appropriation for the Oregon Health Authority (OHA) to implement this program.

OHA is to seek any federal approval or waivers of federal requirements necessary to maximize federal financial participation in the costs of providing medical assistance to adults in the Cover All People program, though implementation of this program is not contingent on federal approval.

If necessary, this measure also authorizes OHA to restrict eligibility to certain categories or groups of adults who are to be covered by this program to remain within the amount appropriated for the program. Decisions on which groups of adults to cover under this program will be based on recommendations from a workgroup that consists of individuals with experience in conducting outreach to certain populations. This portion of the measure sunsets on June 30, 2023.

OHA is directed to report to the 2023 regular session of the Legislative Assembly on implementation of this program. This measure specifies various operative dates, with the program operative on July 1, 2022. The measure takes effect on the 91st day after the Legislative Assembly adjourns sine die.

This analysis assumes the \$100.0 million General Fund is appropriated for this program in both the 2021-23 and 2023-25 biennia. However, OHA’s ability to restrict program eligibility sunsets at the end of the 2021-23 biennium. Should program eligibility expand to all adults who would be eligible for medical assistance except for their immigration status in the 2023-25 biennium, this will substantially increase program costs and staffing needs. Total program costs in 2023-25 under that scenario are indeterminate at this time, as it is difficult to accurately project the costs of coverage, the eligible population, and the number of people who will opt-in to coverage, as well as what federal funding may be available to offset program costs.

### Oregon Health Authority

The total fiscal impact for OHA in 2021-23 biennium is \$100.0 million General Fund, with an indeterminate fiscal impact in 2023-25.

Known costs under this measure for the 2021-23 biennium include \$1,080,228 General Fund for updates to the Medicaid Management Information System and the agency's ONE System. Additional costs include \$2,011,194 General Fund in Personal Services costs, and \$367,526 in position-related Services and Supplies costs, to hire 12 new permanent, full-time positions (9.08 FTE in 2021-23, 12.00 FTE in 2023-25), which include:

- One Operations and Policy Analyst 4 in the Health Systems division, to oversee eligibility policy, provide program oversight, and coordinate with DHS;
- One Operations and Policy Analyst 4 in the Health Systems division, to oversee enrollment policy and coordinate with CCOs;
- Eight Operations and Policy Analyst 4s in the Health Systems division, to support the program design, oversee implementation, and provide technical assistance and training for community partners;
- One Operations and Policy Analyst 4, in the agency's Health Policy and Analytics division, to serve as a policy advisor, including work across OHA programs, work to understand gaps in coverage and utilization, and building a strategy for aligned coverage;
- One Operations and Policy Analyst 3 in the Central Services division, to provide technical assistance within OHA and to other entities such as culturally specific community-based organizations, health care providers, local public health authorities, and safety net providers.

Remaining funds will be used for cost of coverage and program outreach to the extent is necessary to maximize enrollment.

There is also an indeterminate impact as a result of this measure in 2021-23. This bill could potentially result in savings for existing programs such as ScreenWise, or reductions to Reproductive Health Equity Act client caseloads, if clients have coverage through Cover All People instead. Additionally, federal funding decisions could reduce projected General Fund need.

### **Department of Human Services**

The Department of Human Services has known costs of \$960,000 total funds (\$384,000 General Fund and \$576,000 Federal Funds) in 2021-23, to implement this measure. These costs are related to updates to the agency's ONE system.

There are also indeterminate costs for DHS related to staffing levels needed in relation to this measure. DHS will likely need new staff in the Aging and People with Disabilities division, and the Self Sufficiency Programs division, to assist with serving a new population of individuals and training staff for changes in program eligibility requirements. The number of new staff needed will be determined once there is more clarity about the number of people who will be eligible for health care benefits under this measure. Eligibility numbers will not be known until OHA determines who is eligible for coverage, based on the funding available under this measure.

Because DHS does not require any immediate staffing to work on standing up this program, it is assumed that a request will be made later in the 2021-23 biennium for additional staffing to assist with program implementation. Additionally, because this measure appropriates all funding to OHA, it is assumed that DHS costs will be considered in a future rebalance.

### **Department of Consumer and Business Services**

There is minimal fiscal impact for DCBS.

### **Information Technology**

The Legislative Fiscal Office notes that to implement this measure, the Oregon Health Authority (OHA) and Department of Human Services (DHS) indicate that modifications to both the Medicaid Management Information System and the shared ONE Integrated Eligibility System will be required. As this information technology component is estimated to exceed \$2.0 million, OHA and DHS must 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 and DHS may be required 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 (OSCIO) and the Legislative Fiscal Office within the Joint Stage Gate Review process.