

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2394 - A**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: April 15, 2021**Measure Description:**

Requires long term care facilities, residential facilities, adult foster homes and facilities with memory care endorsements to have isolation prevention plans to enable residents to communicate with other residents, family members, friends or other external support systems during public emergency.

Government Unit(s) Affected:

Department of Human Services (DHS), Oregon Department of Veterans' Affairs (ODVA), Oregon Health Authority (OHA)

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

	2021-23 Biennium	2023-25 Biennium
General Fund	\$3,316,358	\$772,358
Federal Funds	772,295	772,295
Total Funds	\$4,088,653	\$1,544,653
Positions	7	7
FTE	7.00	7.00

Analysis:

HB 2394 - A requires long-term care facilities, residential facilities, adult foster homes, and facilities with a memory care endorsement to have isolation prevention plans in place. Plans must ensure that residents of a facility are able to engage in in-person contact and communication with other residents, family, friends, and other support systems during a public emergency. "Public emergency" is defined as a state of emergency based on a disease outbreak or epidemic, or a public health emergency.

If in-person contact is not possible, residents must be able to engage with others virtually. Facilities must provide access to assistive or supportive technology for residents with disabilities that impede their ability to communicate; and must acquire and maintain communications equipment that allows residents to communicate virtually in the event of a public emergency.

The Department of Human Services (DHS) may provide financial assistance to facilities from the Quality Care Fund. All facilities must submit an isolation prevention plan to DHS either six months after the effective date of the measure or when a facility updates its emergency response plan, whichever is earlier. This measure declares an emergency and takes effect on passage.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact on the State's General Fund.

Department of Human Services

DHS estimates that this measure will require seven new permanent, full-time positions (7.00 FTE) to implement; positions are estimated at \$1,544,653 total funds in 2021-23 and \$1,544,653 total funds in 2023-25. Actual costs in 2023-25 are likely to be higher as these figures do not include inflation. Federal Funds are derived from Medicaid match.

The DHS Aging and People with Disabilities (APD) division would hire four new permanent, full-time positions (4.00 FTE) to implement this measure:

- One Operations and Policy Analyst 3 for implementation of the bill in nursing, residential care, and assisted living facilities, and to provide oversight of rulemaking;
- Two Training and Development Specialist 2s to provide training technical assistance; and,
- One Administrative Specialist 2 to provide program administrative support.

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DHS Intellectual and Developmental Disabilities (IDD) division would hire three new permanent, full-time positions (3.00 FTE) to implement this measure:

- Two Client Care Surveyors to communicate with providers, track noncompliance, issue citations, and provide technical assistance; and,
- One Administrative Specialist 1 to process citations and applications for funds.

Additionally, the 2021-23 Governor's Budget includes \$1.5 million General Fund for purchase of communications equipment by APD. APD also has monies available in the Quality Care Fund to assist providers with purchase of communications equipment.

IDD was not granted any funding for communications equipment as part of the Governor's Budget and does not have sufficient funding available in the Quality Care Fund to purchase equipment for providers. IDD estimates that costs to supply all 2,088 providers with communications equipment will total \$1,044,000 in addition to any costs included above. Unless costs of implementation are passed wholly onto providers, funding for communications equipment for IDD providers will likely need to come from the General Fund.

The Legislative Fiscal Office notes that this measure includes language that states that DHS may provide assistance to facilities in purchasing equipment using monies from the Quality Care Fund. Beyond the costs included above, there could be additional and indeterminate costs related to purchase of communications equipment by qualified facilities.

Additionally, any costs beyond the 2023-25 biennium are outside of the scope of this fiscal, but it is assumed that there will be ongoing costs to DHS to provide updated communications equipment to eligible facilities.

Oregon Department of Veterans' Affairs

The total cost of this measure for the Oregon Department of Veterans' Affairs (ODVA) is indeterminate. At a minimum, ODVA anticipates ongoing biennial costs of approximately \$20,000 to purchase communications equipment for the two skilled nursing facilities operated by the Department.

The total cost to provide sufficient staff to assist residents with communications equipment and technology is unknown. Staffing costs will vary based on the length of the public emergency and number of residents requiring assistance with communications. Staffing costs will also be much higher if ODVA must hire and retain additional staff before a public emergency is declared, in order to ensure adequate staffing is available to assist residents with communications in the event of an emergency. ODVA may need to seek additional expenditure limitation if, after an isolation prevention plan has been developed for the ODVA facilities, it is determined that additional staff are needed in order to conform to the requirements of this measure. Any costs related to this measure would be passed on to residents as an increase in rates for care at ODVA's facilities, though DHS may be able to supply financing to ODVA for the purchase of communications equipment.

Oregon Health Authority

There is no fiscal impact for the Oregon Health Authority.