

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 800 - A6

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:

Establishes Oregon Essential Workforce Health Care Program in Oregon Health Authority to provide health care to employees of long-term care facilities, residential care facilities and in-home care agencies that participate in medical assistance program.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Department of Human Services (DHS)

Analysis:

SB 800 - A6 establishes the Oregon Essential Workforce Health Care Program in the Oregon Health Authority (OHA). The program is to provide health care to employees of eligible employers; OHA is to contract with an entity to administer the program.

Under this measure, “eligible employers” are defined as operators of facilities that participate in the state medical assistance program, and elect to participate in the Oregon Essential Workforce Health Care Program. “Facilities” are defined as licensed long-term care facilities, residential care facilities, and in-home care agencies. To participate, employers must apply to the program, agree to participate in evidence-based and data-driven workforce and quality of care improvements, and report each year on quality and other metrics.

OHA is to use moneys from the Oregon Essential Workforce Health Care Program Trust Fund, which is also established by this measure, to reimburse the costs of health care provided under this program. The Fund is separate and distinct from the General Fund, and includes Legislative appropriations to the fund, contributions from eligible employers, federal financial participation by the Centers for Medicare and Medicaid Services, and other public or private sources of funds. Moneys are continuously appropriated to OHA to carry out this measure and the measure specifies that these monies do not revert to the General Fund. The measure declares an emergency and takes effect on passage.

There is an indeterminate cost to implement this measure, though OHA anticipates a known fiscal impact of \$692,056 total funds in 2021-23; and \$514,278 total funds in 2023-25. Most of these costs are related to two new permanent, full-time Operations and Policy Analyst 3 positions (each 0.75 FTE in 2021-23 and 1.00 FTE in 2023-25) to support this program in OHA. These positions will develop rules and oversee the program and program compliance. The agency will also need to modify their Provider Pay system and the Medicaid Management Information System. The cost of these modifications is estimated at \$149,184 total funds, for contractor expenses. These costs will be paid by the OHA Health Systems Division to OHA Shared Services. Shared Services will then expend these monies as Other Funds.

It is not clear how many employers will participate in this program, what level of health care coverage OHA is expected to provide, and what sort of cost-sharing is expected of employers, which will influence the overall fiscal impact of this measure. Additional positions may also be required based on the size of the program; the program scope is not clear from the text of this measure.

It is also not clear if costs of this program will need to be paid fully from the General Fund, or if Federal Funds will be available for this purpose. Federal financial participation by the Centers for Medicare and Medicaid Services is listed as a potential funding source for the program; OHA will need to submit a state plan amendment in order to receive matching federal funds, and it will take at least six months to receive approval. Due to this uncertainty, this fiscal impact statement includes a “total funds” impact, though it is assumed that at least some of the program costs will be derived from the General Fund.

There is no fiscal impact for the Department of Human Services.