

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 1548 - A3**81st Oregon Legislative Assembly – 2022 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

Prepared by: Haylee Morse-Miller
 Reviewed by: Tom MacDonald, Amanda Beitel, Sean McSpaden, Ben Ruef, Gregory Jolivet
 Date: February 21, 2022

Measure Description:

Requires Department of Human Services to allow specified individuals receiving in-home services and supports to receive agency with choice services to perform employment-related functions with respect to direct support professionals employed by individuals to provide in-home services and supports.

Government Unit(s) Affected:

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

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	\$766,789	\$1,026,197
Federal Funds	2,487,751	1,138,717
Total Funds	\$3,254,540	\$2,164,914
Positions	10	9
FTE	4.92	9.00

Analysis:

SB 1548 - A3 directs the Department of Human Services (DHS) to certify agencies to deliver agency with choice services as community-based services option. DHS is to adopt reimbursement rates for services and minimum qualifications for agencies. DHS is also to adopt rules to ensure fiscal transparency and high-quality service in the provision of community-based services to individuals with intellectual or developmental disabilities, which includes requirements to annually submit staffing data to a reporting survey organization specified by DHS, and to submit an annual report to DHS regarding provider finances. DHS is also directed to adopt rules to ensure that wages and health benefits paid to direct support professionals delivering community-based supports reflect increases in rates approved by the Legislative Assembly; and to adopt criteria for applying for a new license, certification, or endorsement.

Additionally, this measure states that a single-family detached dwelling that is used a residential training home or an adult foster home is not required to have installed an automatic sprinkler system under certain circumstances. This is repealed on January 2, 2026.

DHS and the Oregon Health Authority are to report to the interim committees of the Legislative Assembly related to human services and health no later than October 1, 2022 on the impact of residential sprinkler system requirements on programs and facilities they regulate. DHS is also to report on program options for community-based services for seniors and people with disabilities offered by agencies with consumer-directed hiring of personal care workers and direct support professionals; and to report on recommendations for modernizing the

licensing, certification, and endorsement fee schedules and the administration of civil penalties related to services provided to individuals with intellectual or developmental disabilities.

This measure declares an emergency and takes effect on passage.

Department of Human Services

The Department of Human Services anticipates costs from this measure totaling \$766,789 General Fund and \$2.5 million Federal Funds in the 2021-23 biennium. In the 2023-25 biennium, costs are estimated at \$1.0 million General Fund and \$1.1 million Federal Funds. This includes eight new permanent, full-time positions (3.84 FTE in 2021-23, 8.00 FTE in 2023-25).

A majority of the costs in the 2021-23 biennium are related to building audit modules on providers in the DHS Centralized Abuse Management system, which is estimated to cost \$2 million total funds. The Centers for Medicare and Medicaid Services allows a 90% Federal Funds match for this work, so costs are estimated at \$200,000 General Fund and \$1.8 million Federal Funds. This estimate is based on prior costs to add a module in this system. As an executive branch agency, DHS must comply with State Chief Information Officer and office of Enterprise Information Services information technology investment oversight and independent quality management services policies and related statutes. The financial and schedule impacts associated with these due diligence, compliance and oversight activities have not yet been determined.

Additional costs are largely related to the reporting requirements of this measure. DHS anticipates hiring eight new permanent, full-time positions (3.84 FTE in 2021-23, 8.00 FTE in 2023-25). These positions would conduct rulemaking, analyze fiscal data reports submitted by provider agencies, and handle increased applications and provider enrollments. DHS notes that this level of staffing is required since there are close to 1,600 agencies and foster care providers that could be submitting reports. Positions include:

- One Fiscal Analyst 3
- Two Fiscal Analyst 2s
- One Compliance Specialist 3
- Two Compliance Specialist 2s
- One Principal Executive Manager - D
- One Operations and Policy Analyst 3

DHS notes that this bill will impact the cost per case, but the total fiscal impact is indeterminate at this time because it is unknown how many individuals would switch to the new provider type, and what the rates for this provider type will be.

Oregon Health Authority

The Oregon Health Authority (OHA) provides technology support to DHS through their Shared Services division. OHA anticipates that they will need to hire one limited duration, full-time Information Systems Specialist 7 (0.50 FTE in 2021-23) and one permanent, full-time Information Systems Specialist 6 (0.58 FTE in 2021-23, 1.00 FTE in 2023-25). These positions will modify the agency's existing applications to include new providers and specialties as outlined in this measure, as well as modify the Electronic Visit Verification system.

This work will be undertaken by OHA's Office of Information Services (OIS) but direct charged to the Central Services Division budget.

Other entities

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