FISCAL IMPACT OF PROPOSED LEGISLATION **Measure: HB 4004 - A4**

81st Oregon Legislative Assembly – 2022 Regular Session
Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:
Requires Oregon Health Authority to distribute grants to behavioral health care providers for staff compensation and workforce retention and recruitment.

Government Unit(s) Affected:
Department of Human Services (DHS), Oregon Health Authority (OHA), Oregon Youth Authority (OYA)

Summary of Fiscal Impact:
Costs related to the measure may require budgetary action - See analysis.

Analysis:
HB 4004 - A4 directs the Oregon Health Authority (OHA) to administer a program to distribute grants that are to be used to increase staff compensation, pay a retention bonus if necessary, or hire new staff and provide a hiring bonus if necessary to recruit new staff for certain health care providers. At least 75 percent of the grant must be spent on staff wages, benefits, and/or bonuses, with the rest to be spent on programs or other means to increase workforce retention and recruitment. Providers must state how they will use the grant when they apply and must report to OHA on how the grants were spent and if they resulted in improved compensation for staff. Grants are to be a percentage of funds appropriated under this measure, that represent a provider's staffing costs for both filled and vacant positions, relative to the staffing costs of all providers in the state. Grants are to be distributed no later than May 31, 2022, and this portion of the measure sunsets on January 2, 2023. There is a $132.3 million General Fund appropriation to carry out this portion of the measure, nearly all of which represents one-time funding for the grants.

OHA is also directed to contract with nurses and behavioral health professionals to provide care in adult and child residential behavioral health treatment facilities, opioid treatment programs, withdrawal management programs, and sobering centers, to address staffing shortages at these facilities. OHA is directed to seek any necessary approval from the Centers for Medicare and Medicaid Services to secure federal financial participation in the cost of these contracts if funding from the Federal Emergency Management Agency is unavailable. This portion of the measure sunsets on January 2, 2027.

Additionally, this measure grants the Oregon Youth Authority (OYA) the latitude to make local government, nonprofit, and individual grants to meet the treatment and care needs of adjudicated youths committed to OYA custody, in order to respond quickly to each youth's circumstance.

The measure declares an emergency and takes effect on passage.

The estimated fiscal impact includes the cost of one full-time Operations and Policy Analyst 3 position (0.54 FTE in 2021-23, 1.00 FTE in 2023-25) in OHA to support contract management and reporting requirements, among other duties related to this measure.