

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 4012 - A**

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:**

Directs Department of Human Services to review child welfare service provider rate structure and submit report to interim committees of Legislative Assembly on or before February 28, 2023.

**Government Unit(s) Affected:**

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

**Summary of Fiscal Impact:**

Costs related to the measure are anticipated to be minimal - See explanatory analysis.

**Analysis:**

HB 4012 - A directs the Department of Human Services (DHS), in collaboration with the Oregon Health Authority (OHA) and Oregon Youth Authority (OYA) to conduct a comprehensive review of service provider rate structures for child caring agencies licensed or contracted with these agencies; and to provide recommendations for updates to the rate structures to promote long-term workforce sustainability. A report is to be submitted to the interim committees of the Legislative Assembly related to human services no later than February 28, 2023.

Additionally, the Oregon Health Authority (OHA) is directed to conduct a biennial nursing market study to determine the appropriate Medicaid reimbursement rates for providers of private duty nursing for medically fragile children. OHA is to seek approval from the Center for Medicare and Medicaid Services to adjust this rate no later than July 1 of each year- starting in 2023- using the results of the study and applying a cost of living adjustment.

The measure takes effect on the 91st day after the date on which the 2022 regular session of the legislature adjourns sine die.

OHA may need to contract for a review of the rate structures for child caring agencies. OHA has started work to study some service provider rate structures, but the measure requires the agency to review rate structures for other types of providers. Although the measure may result in one-time contractual expenses, the agency received additional funding and positions in its 2021-23 budget to support fee-for-service program operations, including rate reviews and select rate adjustments (Policy Option Package 407). The required rate review under the measure fits within this body of work and can be supported within existing resources.

OHA anticipates no costs to conduct the biennial nursing market study. That work has been performed by existing staff previously and OHA anticipates the work can continue being absorbed using existing resources. If reimbursement rates for providers of private duty nursing for medically fragile children are adjusted in 2023 based on this study, this would have an indeterminate, though likely minimal, fiscal impact.

DHS does not have any additional costs to conduct the study under this measure, as funding for this activity is available in the agency’s existing budget. There is also no fiscal impact for OYA. The agency notes that review of service provider rate structures is an activity they already undertake.