

FISCAL IMPACT OF PROPOSED LEGISLATION

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

Measure: HB 4132 - A

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Michael Graham
Reviewed by: Ben Ruef, John Borden
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Measure Description:

Directs the Department of Consumer and Business Services to study trends in the reimbursement paid to health care providers by insurers and third-party administrators.

Government Unit(s) Affected:

Department of Consumer and Business Services (DCBS), Department of Justice (DOJ)

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis:

House Bill 4132 A-engrossed directs the Department of Consumer and Business Services (DCBS) to study trends in the reimbursement paid to health care providers by insurers and third-party administrators. DCBS must submit the findings of its study to interim committees of the Legislative Assembly related to health by no later than September 15, 2023. The measure takes effect on passage.

Department of Consumer and Business Services

The measure defines a “health care provider” as a physician assistant, an advanced practice registered nurse, and any entity primarily engaged in the provision of medicine, optometry, dentistry, acupuncture, chiropractic, massage therapy, naturopathic medicine, physical therapy, and midwifery. The scope of the study is broad and will require review and analysis of a significant range of data. Data parameters will need to be sufficient to demonstrate trends, so reviewing data over the past several years will be required.

Because the Division of Financial Regulations (DFR) does not have internal resources available to conduct the study, DCBS would contract out for these services, which would involve setting minimum contractor requirements and selecting a contractor with a demonstrated ability to conduct the study in the timeframe required. DCBS anticipates conducting a formal solicitation process to select a contractor. DCBS procurement staff would work with DFR staff to create a request for proposal (RFP), facilitate the contractor selection process, and write the final contract. DCBS will also need to consult the Department of Justice to review the RFP for legal sufficiency. But until an RFP is procured, it is difficult to estimate the price of the contract and the staff needed to facilitate the contract. DFR staff time will include work to support the study, research analysis, and contract administration duties. The study may also have an information technology (IT) component.

The fiscal impact depends on how much data will be collected as part of the study and whether the study will require automated data submissions and automation to generate the report. For these reasons, the fiscal impact to DCBS is indeterminate. Since the scope the study and the type of data to be collected and analyzed are presently unknown, DCBS may need to request additional budgetary resources from the Legislative Assembly to conduct the study and report its findings by September 15, 2023.

The measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its impact to DCBS’ budget.

Department of Justice

The measure is anticipated to have a minimal fiscal impact on the Department of Justice.