HB 4004 B BUDGET REPORT and MEASURE SUMMARY **Carrier:** Rep. Nosse

Joint Committee On Ways and Means

Action Date:	02/24/22
Action:	Do pass with amendments to the A-Eng bill. (Printed B-Eng.)
House Vote	
Yeas:	11 - Breese-Iverson, Bynum, Evans, Gomberg, McLain, Nosse, Reschke, Sanchez, Smith G, Stark, Valderrama
Senate Vote	
Yeas:	11 - Anderson, Frederick, Girod, Golden, Gorsek, Hansell, Knopp, Lieber, Steiner Hayward, Taylor, Thomsen
Prepared By:	Patrick Heath, Department of Administrative Services
Reviewed By:	Tom MacDonald, Legislative Fiscal Office

Oregon Health Authority
2021-23

Budget Summary*

	2021-23 Legislatively Approved Budget[1]	2022 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
			$ Change	% Change
General Fund	$ -	$ 132,347,979	$ 132,347,979	100.0%
Total	$ -	$ 132,347,979	$ 132,347,979	100.0%

Position Summary

Authorized Positions	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.52	0.52

[1] Includes adjustments through January 2022

* Excludes Capital Construction expenditures

Summary of Revenue Changes

House Bill 4004 appropriates $132,347,979 General Fund for the purposes of the bill.

Summary of Human Services Subcommittee Action

HB 4004 requires the Oregon Health Authority (OHA) to distribute grants to behavioral health providers to improve the recruitment and retention of the behavioral health workforce. Eligible providers include mental health or substance use disorder crisis line providers, Urban Indian Health Programs, Tribal Behavioral Health Programs, and non-hospital providers serving predominately uninsured or publicly ensured clients, including providers contracted through the Oregon Youth Authority, behavioral rehabilitation services providers contracted with the Oregon Department of Human Services, opioid treatment programs, withdrawal management services, and sobering centers. Providers can use the grants to increase staff compensation, pay retention bonuses, or hire new staff and provide a hiring bonus, if necessary. Providers must use at least 75% of the grant on direct compensation to their staff, with the remainder to be spent on other means to increase workforce retention or recruitment. Grants will be distributed pro rata from the overall available funds based on the staffing costs of each provider relative to the overall staffing costs of all providers in the state. Grants must be distributed by May 31, 2022. OHA estimates with approximately 24,000 staff among eligible providers, increased staff compensation of $4,000 per person, and a 10% increase in staffing as a result of the workforce incentives. The bill provides a one-time General Fund appropriation of $132.2 million to support the grant program.

HB 4004 also directs OHA to contract with nurses and behavioral health professionals to provide care in residential behavioral health facilities, opioid treatment programs, withdrawal management programs and sobering centers to address shortage of staff caused by the COVID-19 pandemic. OHA will first seek Federal Emergency Management Administration (FEMA) reimbursement for these expenses and is then directed

to request approval from the Centers for Medicare and Medicaid Services to secure federal financial participation in the costs of contracts if FEMA reimbursement is unavailable. OHA estimates the cost of these nursing contracts at $21.6 million per month based on current usage, with a total impact of up to $345.9 million total funds over the 2021-23 biennium. The fiscal impact of this portion of the bill is indeterminate and will depend on the length of the COVID-19 public health emergency, decisions on reimbursement by the federal government, and the staffing needs of the programs being supported. Any necessary Federal Funds expenditure limitation may be addressed in an omnibus budget bill at the end of the 2022 Legislative Session or in a future budget rebalance plan.

The bill also includes $171,979 General Fund to support a permanent full-time Operations and Policy Analyst 3 position (0.52 FTE) to administer the bill. The position will track the required contracts, perform policy work related to reimbursement for the nurse staffing contracts, and complete invoices, documentation, and justification for reimbursement from FEMA.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Health Authority
Patrick Heath - 503-983-8670

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
SUBCOMMITTEE ADJUSTMENTS									
SCR 030-01 - Health Systems Division									
Personal Services	$ 157,987	$ -	$ -	$ -	$ -	$ -	$ 157,987	1	0.52
Services and Supplies	$ 13,992	$ -	$ -	$ -	$ -	$ -	$ 13,992		
Special Payments	$ 132,176,000	$ -	$ -	$ -	$ -	$ -	$ 132,176,000		
SUBCOMMITTEE RECOMMENDATION *	$ 132,347,979	$ -	$ -	$ -	$ -	$ -	$ 132,347,979	1	0.52
% Change from 2021-23 Leg Approved Budget	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%

*Excludes Capital Construction Expenditures