

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 2463**

82nd Oregon Legislative Assembly – 2023 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 convene two work groups to study statutory and regulatory framework for behavioral health systems and make recommendations to reduce administrative burdens on behavioral health care providers and increase system efficiencies.

**Government Unit(s) Affected:**

Counties, Department of Human Services, Judicial Department, Mental Health Regulatory Agency, Oregon Health Authority

**Summary of Fiscal Impact:**

Costs related to the measure may require budgetary action - See analysis.

**Summary of Expenditure Impact:**

	<b>2023-25 Biennium</b>	<b>2025-27 Biennium</b>
<b>Oregon Health Authority</b>		
<b>General Fund</b>		
Personal Services	\$405,560	\$540,750
Services and Supplies	\$376,818	\$384,752
<b>Total General Fund</b>	<b>\$782,378</b>	<b>\$925,502</b>
<b>Total Fiscal Impact</b>	<b>\$782,378</b>	<b>\$925,502</b>
<i>Total Positions</i>	2	2
<i>Total FTE</i>	1.50	2.00

**Analysis:**

HB 2463 requires the Oregon Health Authority (OHA) to convene and monitor two work groups, one to evaluate the publicly funded behavioral health system and the other to evaluate the regulatory structure of the publicly funded behavioral health system. Both work groups are required to report their findings and recommendations to the interim committees related to health care no later than September 15th of every even year. Additionally, the measure requires OHA to review and evaluate internal administrative rules (OARs) and procedures, with a focus on alleviating administrative burdens on behavioral health stakeholders and clarifying the obligations and responsibilities of coordinated care organizations. The measure declares an emergency and is effective on passage. The measure is repealed on January 2, 2027.

OHA estimates it will need \$340,346 General Fund for both the 2023-25 and 2025-27 biennia to provide meeting services and member compensation for the two work groups. This estimate assumes the workgroups will have a combined 30 non-OHA employed members that will require lodging and that meetings will require interpretation and translation services, a contracted facilitator, and payment for use of a facility to hold their meetings.

To manage the workgroups and develop and implement OHA's internal review of OARs and procedures, OHA anticipates hiring one permanent full-time Operations and Policy Analyst 4 position (0.75 FTE). Additionally, to coordinate deadlines for the workgroups and ensure timely delivery of deliverables, OHA advised that it would

need one permanent full-time Project Manager 3 position (0.75 FTE). The total cost of the positions is \$405,560 General Fund, with \$44,406 General Fund in related services and supplies costs. Both positions would scale up to 1.00 FTE each for the 2025-27 biennium and cost \$540,750 General Fund, with \$44,406 General Fund in position-related services and supplies costs.

There is a minimal fiscal impact to counties, the Board of Licensed Social Workers, the Mental Health Regulatory Agency, and the Oregon Judicial Department.

There is no fiscal impact to the Department of Human Services.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact on the State's General Fund.