

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 820 - A

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Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Requires Oregon Health Authority to provide community-based services and supports to individuals with complex mental or behavioral health needs who are under 21 years of age.

Government Unit(s) Affected:

Department of Human Services, Oregon Health Authority, Oregon Youth Authority

Summary of Fiscal Impact:

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

Analysis:

SB 820-A requires the Oregon Health Authority (OHA) to provide the following services to individuals under the age of 21 that meet specific requirements: skills training, home modifications, assistive technology, supervision, attendant care services, cueing, nonmedical transportation, and case management services.

Services are to be funded using the Community First Choice option under federal law (42 U.S.C. 1396n(k)) for individuals under the age of 21 and qualify for medical assistance as defined in state law (ORS 414.025). OHA is directed to create a unit to coordinate services for participating individuals and an assessment tool to determine need and support for program participants. OHA is permitted to contract with community-based entities to complete provisions of the measure. The Department of Human Services is required to validate that needs are being met for individuals receiving care. The measure declares an emergency and is effective on passage.

The Child and Family Behavioral Health division in OHA currently provides mental health and substance use disorder treatment through outpatient acute care services as well as Early and Periodic Screening, Diagnostic and Treatment (EPSDT). However, these combined services do not provide for all the requirements of the measure. Full program costs are indeterminate.

Estimated initial costs to develop the program would include the following full-time permanent positions for the 2023-25 biennium:

- One Behavioral Health Manager 2 position (0.75 FTE) to support program vision, policy, and design.
- One Program Analyst 3 position (0.75 FTE) to coordinate and implement rules for the program, design the clinical assessment tool, authorize services, and review utilization.
- Two Operations and Policy Analyst 3 positions (1.25 FTE) to coordinate the program, develop amendments to the Medicaid state plan, coordinate with internal and external stakeholders and develop eligibility requirements for Medicaid K-plan services.

The position costs to establish and support the new unit is \$358,641 General Fund and \$358,641 Federal Funds with position related services and supplies costs of \$36,304 General Fund and \$36,304 Federal Funds. In 2025-27, total position costs will be \$1,044,710.

The design stage for the tool is estimated to begin on or after January 1, 2024, following rulemaking. Additional staff may be required to build the assessment tool in the 2025-27 biennium; OHA projects the build process will take between three and twelve months. To begin development planning, OHA anticipates hiring one full-time, permanent Information Security Specialist 7 position (0.75 FTE) in the 2023-25 biennium at a personal service cost of \$186,184 total funds and \$25,139 total funds in position-related services and supplies costs. In the 2025-27 biennium, this position increases to 1.00 FTE and has a personal services cost of \$248,245 total funds with \$29,459 in position-related services and supplies costs. Additionally, OHA will need to purchase four additional subscriptions to cloud-based software with a biennial cost of \$264,000 Other Funds.

As the Information Security Specialist 7 position, existing staff needs and the cloud-based subscriptions are located within the Office of Information Security, a Shared Services for OHA and the Department of Human Services, there is a corresponding Other Funds expenditure limitation of \$544,921 required to properly budget for expenses paid through OHA's Shared Services budget. However, this Other Funds expenditure limitation does not represent a true expense related to the overall cost of the measure.

The fiscal impact for the 2023-25 biennium is \$1,887,512 total funds increasing to \$2,119,621 total funds for the 2025-27 biennium.

There is no fiscal impact to the Department of Human Services or the Oregon Youth Authority.

This measure requires budgetary action for the allocation of General Fund resources and position establishment.