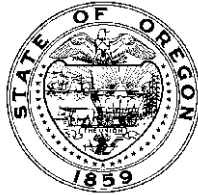


Legislative Fiscal Office

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Joint Committee on Ways and Means

Senator Elizabeth Steiner, Senate Co-Chair
Representative Tawna Sanchez, House Co-Chair

Senator Fred Girod, Senate Co-Vice Chair
Representative David Gomberg, House Co-Vice Chair
Representative Greg Smith, House Co-Vice Chair

Amanda Beitel, Legislative Fiscal Officer
Tom MacDonald, Deputy Legislative Fiscal Officer (Budget)
Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)

To: Human Services Subcommittee

From: Gregory Jolivette, Legislative Fiscal Office

Date: February 28, 2024

Subject: HB 4129 – Relating to in-home service providers
Work Session Recommendations

HB 4129 requires the Department of Human Services (DHS) and the Oregon Health Authority (OHA) to contract with up to two entities, by January 1, 2026, to provide agency with choice in-home services to older adults, individuals with physical disabilities, and individuals with behavioral health needs. Agency with choice providers will receive reimbursement from DHS and OHA for the cost of providing in-home services, including reimbursement for direct support worker wages and benefits and administrative costs.

In the 2023-25 biennium, 15 positions (6.65 FTE) will be needed to develop the state infrastructure and rules governing this new service option; this includes nine positions at DHS, and six positions at OHA. The -A10 amendment provides \$1,435,502 General Fund (\$2,935,330 total funds) to support these positions in the current biennium.

In the 2025-27 biennium, when the contract agencies begin to provide in-home services, the cost is projected to increase to \$51.9 million General Fund (\$146.4 million total funds). This assumes that 6,600 individuals (or 50% of the eligible caseload) opt into the more expensive agency with choice services over a 12-month period. As a service delivery option, agency with choice is estimated to cost about \$1,700 more per individual/month than the current home care worker model. It is important to note, the costs could be higher or lower depending on how many individuals opt into agency with choice services, the rate of enrollment, and the vendor administrative costs to fulfill the requirements of the state contracts.

Recommended Changes

LFO recommends adoption of the –A10 amendment.

MOTION: I move adoption of the –A10 amendment to HB 4129. (VOTE)

Final Subcommittee Action

LFO recommends that HB 4129, as amended by the –A10 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 4129, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____