



Legislative Fiscal Office
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Bill Title: Relating to health care; declaring an emergency.

Government Unit(s) Affected: Board of Nursing, Oregon Health and Science University, Board of Pharmacy, Higher Education Coordinating Commission, Board of Physical Therapy, Department of Human Services, Oregon Medical Board, Employment Department, Department of Corrections, Oregon Youth Authority, Board of Naturopathic Medicine, Oregon Health Authority, Legislative Policy and Research Office, Department of Consumer and Business Services, Counties, Board of Dentistry, Occupational Therapy Licensing Board

Summary of Fiscal Impact: Costs related to the measure are indeterminate at this time - see explanatory analysis.

Measure Description

This measure is an omnibus bill and includes sections modifying, creating, or eliminating provisions related to hospitals, residential care, state medical assistance, parent providers, dental care, commercial health insurance, pharmacy services, the Prescription Drug Affordability Board (PDAB), psilocybin, naturopathic physicians, and workers' compensation.

The provisions of this measure discussed in this fiscal impact are:

- Home health agency regulations
- Insurance coverage mandate impact statement template pilot project
- Provider parent wage parity
- Complex rehabilitation technology repairs
- Psilocybin licensure modifications

Fiscal Analysis

The estimated fiscal impact of the measure is estimated to be \$766,541 General Fund, \$146,403 Other Funds, \$209,477 Federal Funds, and five positions (2.34 FTE) in the 2025-27 biennium. The fiscal impact for the 2027-29 biennium is estimated to be \$708,646 General Fund, \$387,016 Federal Funds, and four positions (4.00 FTE).

There is an additional indeterminate fiscal impact for the Oregon Health Authority (OHA) and the Department of Human Services (DHS).

Oregon Health Authority

The estimated fiscal impact of the measure is \$566,541 General Fund, \$146,403 Other Fund and \$209,477 Federal Fund or \$922,421 total funds, including five positions (2.34 FTE) in the 2025-27 biennium. Of the total, \$230,342 total funds are one-time in nature. In addition to these known costs, OHA has indeterminate costs related to complex rehabilitation technology repairs.

The measure prohibits OHA or coordinated care organizations (CCOs) from requiring prior authorization for the cost to repair complex rehabilitation technology if the cost of those repairs is under \$1,500. The agency would hire three full-time permanent positions (all 0.50 FTE in the 2025-27 biennium and 1.00 FTE in the 2027-29 biennium) to process a resulting projected increase in post-payment reviews. New positions include one Durable Medical Equipment Analyst to develop and oversee the post-payment review process; one Medical Review Coordinator to process these new claims; and one Claims Project Coordinator to assist with implementation and program oversight. The estimated cost of the positions, including personal services and standard position-related services and supplies costs, is \$411,756 total funds. In addition to position costs, there is an indeterminate impact related to the number of repairs under \$1,500 that previously may have been denied through prior authorization that will now be approved. The cost associated with the additional approvals may impact the rates that OHA pays CCOs, and costs associated with the Fee-For-Service program administered by OHA.

The measure directs OHA to accept out-of-state facilitator training programs to meet eligibility requirements for psilocybin service facilitator licensure. Currently, OHA does not permit out-of-state training programs. The validation of these out of state training programs represents new work, and a permanent full-time Compliance Specialist 2 position will be required to manage the review. The cost for this position is estimated to be \$98,920 total funds (0.42 FTE), which includes personal services and standard position-related services and supplies costs. Additional one-time costs include \$50,000 General Fund to consult with the Department of Justice while creating the rules and process for this new requirement and \$10,000 General Fund to update websites and other resources to reflect this new option for prospective licensees.

Two provisions in the measure involve updates to information technology systems: updating the psilocybin training, licensing and compliance system to include out-of-state training programs, and updating the DHS express payment and reporting system (eXPRS) to add personal support workers as paid parents and modify how they are paid. These changes are anticipated to be a one-time cost of \$247,845 total funds and one limited duration full-time position (0.42 FTE). The agency's information technology governance prioritization process is currently prioritizing H.R. 1 required system updates. OHA reports that due to this prioritization, the implementation of these updates may be significantly delayed, possibly impacting the related programs.

Additional support for the insurance coverage mandate impact statement template pilot project may include additional consulting and actuarial contracting to provide estimates of OEBC and PEBC costs associated with coverage mandates and cost associated with datasets derived from the agency's All Payers All Claims (APAC) database. The estimated cost for the additional contracted analysis and consultation is estimated to be a one-time cost of \$103,900 total funds which assumes 10 total measures will be reviewed by the pilot project.

Department of Consumer and Business Services

The estimated fiscal impact of the measure for the Department of Consumer and Business Services (DCBS) is \$200,000 General Fund, one-time, in the 2025-27 biennium and no fiscal impact in the 2027-29 biennium.

The measure requires the Division of Financial Regulation (DFR), within DCBS, to conduct an actuarial analysis of the financial effects for each bill considered as part of the insurance coverage mandate impact statement template pilot project. DFR does not have expertise in this level of work, which would require DCBS to contract with a vendor to complete the analysis. DFR is primarily funded by Other Funds through an annual insurer assessment, which is dedicated for specific statutory programs; therefore, this work would require General Fund resources. Based on previously related contracts, DCBS estimates the cost of this work to be \$200,000 General Fund one-time. However, should the cost of analysis exceed the estimate, DCBS may return to the Legislature for additional resources.

The provisions related to PDAB can be absorbed within the agency's current resources.

Department of Human Services

The fiscal impact of the measure is indeterminate but may be significant.

The measure requires parent providers employed as Personal Support Workers (PSW) to earn the same wage as parent providers working as Direct Support Professionals (DSP). As of 2025, the average hourly wage was \$42.24 for DSPs and was \$22.13 for PSWs. Although the measure specifies wage parity applies to parent provider PSWs, PSW wages are set through collective bargaining based on hours worked and qualifications. As a result, establishing wage parity would effectively increase wages for all PSWs. Increasing the PSW hourly wage by approximately 91% would result in a significant cost increase for the department. Due to collective bargaining, the department is not able to guarantee PSWs would receive the same wage as DSPs.

Legislative Policy and Research Office

The fiscal impact of the measure on the Legislative Policy and Research Office (LPRO) is indeterminate but anticipated to be minimal at this time. LPRO's current service level budget is designed to support interim committees and a certain number of task forces within existing resources. However, the number of committees and task forces over the last several biennia have increased, and if the work required by this pilot project, or if the cumulative enactment of other legislation with interim committees and task forces exceeds expenditure levels beyond those assumed in the 2025-27 budget, additional General Fund resources may be required.

The measure requires LPRO to develop an insurance coverage mandate impact statement template pilot program. The program should review an unspecified amount of Senate and House measures enacted during the 2025 legislative session. LPRO must submit a preliminary report to the health-related legislative committees by September 15, 2026, that outlines their methodology, LPRO's experience drafting impact statements, and any specific findings on the test measures. LPRO must also submit a policy for these statements to the Legislative Policy and Research Committee and work collaboratively with the committee to incorporate the feedback into their policy. By September 15, 2027, LPRO must report to the Legislature to provide recommendations for changes to improve the review of proposed insurance coverage mandates during regular or special sessions of the Legislature. All state agencies and the Oregon Health and Science University (OHSU) are required to support LPRO during this pilot program as needed and directed by LPRO.

With the support of other state agencies, and assuming a maximum number of measures is six or less, LPRO would utilize existing staff to work on the pilot project. This includes two Senior Legislative Analysts and a Senior Research Analyst working part-time. However, if the number of measures to analyze is greater than six, LPRO would require additional resources.

Other entities

The measure has a minimal fiscal impact on the Oregon Board of Dentistry, Oregon Board of Naturopathic Medicine, and Oregon Youth Authority.

The measure has no fiscal impact on counties, Board of Physical Therapy, Department of Corrections, Higher Education Coordinating Commission, Oregon Board of Pharmacy, Employment Department, Oregon Health and Science University, Oregon State Board of Nursing, and Occupational Therapy Licensing Board.

Relevant Dates

The measure declares an emergency and takes effect on passage.

Changes to the required education for residential care facility administrator licensees applies to applications for licensure on or after the effective date of the measure and is operative January 1, 2027.

Modifications to the Medicaid Advisory Committee become operative on July 10, 2027.

For the period between the effective date of the measure and July 9, 2026, the Medicaid Advisory Committee must be comprised of at least 10% Medicaid recipients.

For the period between July 10, 2026, and July 9, 2027, at least 20% of the Medicaid Advisory Committee must be Medicaid recipients.

Medicaid Advisory Committee membership percentages are repealed January 2, 2028.

Provisions permitting full-time students of dentistry to practice under the indirect supervision of a qualified faculty member is operative January 1, 2027.

The prohibition of limits on medically necessary anesthesia applies to health insurance that is issued, renewed, or extended on or after January 1, 2027.

Provisions regarding dental provider reimbursement processing are operative on January 1, 2028.

LPRO must present a preliminary report to the Legislature by September 15, 2026.

LPRO must present final recommendations to the Legislature by September 15, 2027.

Changes related to health boards whose licensees may provide psilocybin services and the reporting of psilocybin dosage to OHA become operative January 1, 2027.

Changes modifying naturopathic physicians' authority and reducing the age for inactive licenses or reduced continuing education requirements are operative January 1, 2027.