



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

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

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, home health and residential care, state medical assistance, parent providers, dental care, commercial health insurance, pharmacy services, the Prescription Drug Affordability Board, psilocybin, naturopathic physicians, and workers' compensation. This measure directs the Legislative Policy and Research Office (LPRO) to review three to six measures when conducting the insurance coverage mandate impact statement template pilot project.

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 \$462,641 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 known costs of the measure for OHA is \$462,641 General Fund, \$146,403 Other Funds, \$209,477 Federal Funds, and five positions (2.34 FTE) in the 2025-27 biennium. Of the total, \$230,342 total funds are assumed to be one-time costs. The fiscal impact of known costs for OHA in the 2027-29 biennium is \$708,646 General Fund, \$387,016 Federal Funds and four positions (4.00 FTE). In addition to these known

costs, OHA has indeterminate costs related to complex rehabilitation technology repairs and new licensure for certain home health providers.

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.

The measure prohibits OHA from requiring home health providers that aren't certified by the Centers for Medicare and Medicaid (CMS) to meet the same CMS imposed standards of those that are certified. Currently, there are 65 home health agencies that are not certified by CMS but have met CMS standards to receive their license. It is unknown, how many of these providers would choose to change their license type following implementation. The change would also apply to private duty nursing, currently private duty nurses are not required to be licensed with a home health agency license. There are 14 agencies and 50 individuals who provide private nursing, it is unclear if any would choose licensure since it is not required. This change will require OHA to develop a new license type for these providers and complete corresponding program and rule development. Revenue earned from this new licensure type will be dependent on the number of providers who pursue this new license.

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 \$22.13 for PSWs. Although the measure specifies the 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, LPRO can absorb the costs of implementing this pilot program assuming the maximum number of measures is six or less.

LPRO will 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 Department of Consumer and Business Services, Oregon Board of Dentistry, the 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, Oregon Medical Board, Employment Department, Oregon Health and Science University, Oregon State Board of Nursing, or 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.