FISCAL IMPACT OF PROPOSED LEGISLATION **Measure: HB 4162 - 1**

79th Oregon Legislative Assembly – 2018 Regular Session
Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Date: 2/19/2018

Measure Description:
Extends sunset on long term care facility assessment to 2026.

Government Unit(s) Affected:
Department of Human Services (DHS)

Summary of Expenditure Impact:
Costs related to the measure may require budgetary action - See analysis.

Analysis:
HB 4162 with the -1 amendment:

- Extends the Long Term Care Facility Assessment through June 30, 2026. Currently the assessment is scheduled to sunset on June 30, 2020.
- Removes the limit for penalties imposed on long term care facilities that fail to submit an assessment report or pay an assessment.
- Makes changes to the existing Medicaid reimbursement methodology language to allow DHS to adopt and implement rates applicable to patients with complex medical needs.
- Establishes the Nursing Facility Rate at the 62nd percentile of the Medicaid costs per day of all Nursing facilities.

If this bill does not pass, assessment revenue would lapse on June 30, 2020. Therefore, there is no fiscal impact for the 2017-19 biennium. However, if this bill does not pass, the Department of Human Services (DHS) projects the 2019-21 impact to be a loss of approximately $72.4 million in assessment revenues. If this bill does not pass, DHS would need a $72.4 General Fund backfill in order to continue serving the current caseload of Aging and People with Disabilities clients.

Removal of the limit for penalties may nominally increase revenues, but this impact cannot be predicted or quantified, at this time. In addition, OHA anticipates minimal fiscal impact resulting from reimbursement methodology and rate changes specified by the bill.