

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 526 - A2

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Kim To
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Date: June 4, 2019**Measure Description:**

Directs Oregon Health Authority to design, implement, and maintain a voluntary statewide universal newborn nurse home visiting program.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Department of Consumer and Business Services (DCBS)

Summary of Fiscal Impact:

Quantifiable costs related to establishing the universal newborn nurse home visiting program will require budgetary action for the appropriation of General Fund and position establishment. The bill also has fiscal elements relating health benefit coverage that are indeterminate, at this time - See analysis.

Summary of Expenditure Impact:

	2019-21 Biennium	2021-23 Biennium
General Fund		
Personal Services	197,130	384,973
Services and Supplies	1,216,745	1,239,235
Total General Fund	\$1,413,875	\$1,624,208
Federal Funds		
Personal Services	190,216	408,204
Services and Supplies	39,551	77,369
Total Federal Funds	\$229,767	\$485,573
TOTAL FUNDS	\$1,643,642	\$2,109,781
Positions	4	5
FTE	2.26	4.00

Analysis:

SB 526 directs the Oregon Health Authority (OHA) to design, implement, and maintain a voluntary, statewide, evidence-based, universal newborn nurse home visiting program with services provided by registered nurses licensed in Oregon to all families with newborns residing in Oregon. This program must be flexible to meet the needs of the communities and be based on criteria established by the US Department of Health and Human Services. OHA must consult, coordinate, and collaborate with insurers that offer health benefits plans in Oregon, hospitals, local public health authorities, the Early Learning Division, existing early childhood home visiting programs, community-based organization, and social service providers in establishing this program. OHA is required to collect and analyze data to assess the effectiveness of the program. In addition, OHA must collaborate with the Department of Consumer and Business Services (DCBS) to adopt by rule criteria for universal newborn nurse home visiting services coverage by health benefit plans. The bill mandates health benefit plan coverage of universal newborn nurse home visiting services. This coverage must be provided without any cost-sharing, coinsurance, or deductible. Carriers must notify enrollees of this service when an enrollee adds a newborn to coverage. Carriers must report to OHA data regarding claims submitted for services. The bill

authorizes DCBS to request a federal waiver. The -A2 removes appropriation language from the bill and does not change the original fiscal determination.

Oregon Health Authority (OHA)

OHA calculates the cost of designing and implementing the voluntary statewide newborn nurse home visiting services program to be \$1,643,642, Total Funds [\$1,413,876 General Fund, \$229,767 Federal Funds], and 4 positions (2.26 FTE) for the 2019-21 biennium; and \$2,109,781 Total Funds [\$1,624,208 General Fund, \$485,573 Federal Funds], and 5 positions (4.00 FTE) for the 2021-23 biennium. This amount reflects personal services and related services supplies for the on boarding of the following permanent positions:

- One full-time Public Health Nurse 2 position to serve as nurse consultant for the 2019-21 biennium. OHA anticipates needing an additional Public Nurse 2 position for the 2021-23 biennium as the program expands.
- One full-time Operations and Policy Analyst 3 position to serve as a training and quality improvement specialist.
- One half-time Research Analyst 3 position to collect and analyze data.
- One half-time Administrative Support Specialist 1 to provide program support

Oregon Educators Benefit Board (OEBB)

According to the largest health insurer for OEBB, Moda Health, coverage requirements for newborn nurse home visiting services could increase premium rates for the plans they administer by 0.08% and potentially result in a fiscal impact of \$1,025,925 Other Funds for the 2019-21 biennium, and \$1,172,485 Other Funds for the 2021-23 biennium. Also, note that any proposed legislation resulting in a fiscal impact on insurance premiums provided by OEBB will impact any educational entity that has mandated or elective coverage under OEBB. This includes school districts, community colleges, education service districts and some charter schools.

Public Employees Benefits Board (PEBB)

The fiscal impact of coverage requirements for newborn nurse home visiting services on PEBB premiums is indeterminate, at this time. Note that any proposed legislation resulting in a fiscal impact on insurance premiums provided by PEBB will have a General Fund impact on state agencies because about 40% to 45% of PEBB premium resources come from state agencies' flexible benefits payroll General Fund budget.

Department of Consumer and Business Services (DCBS)

The fiscal impact of this measure on DCBS is indeterminate. The coverage requirements for newborn nurse home visiting services may be considered a new mandate under the Affordable Care Act (ACA). This Act requires states to offset the cost of mandated benefits enacted after December 2011 for plans issued through the health insurance marketplace. The federal guidance does not clarify whether offsets must be paid out of the General Fund or from other state funds such as marketplace assessment funds. DCBS anticipates using existing staff and resources to participate in rulemaking with OHA on criteria for universal newborn nurse home visiting services that must be covered by health benefit plans. However, the resources required to apply for a state innovation waiver cannot be quantified until DCBS and OHA work together to better define the criteria for newborn nurse home visiting services that must be covered by health benefit plans.