

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 770 - A9**80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Measure Description:

Establishes Task Force on Universal Health Care charged with recommending to Legislative Assembly design of Health Care for All Oregon Plan, administered by Health Care for All Oregon Board to provide publicly funded, equitable, affordable, comprehensive and high-quality health care to all Oregon residents. Directs Oregon Health Authority to develop a plan for a Medicaid Buy-In program or public option to provide affordable health care option to all Oregon residents.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Legislative Policy and Research Office (LPRO), Legislative Assembly, Department of Consumer and Business Services (DCBS)

Summary of Fiscal Impact:

Quantifiable costs related to the measure will require budgetary action. In addition, the fiscal impact of the measure contains elements which are indeterminate at this time. - See analysis.

Summary of Expenditure Impact:

	2019-21 Biennium	2021-23 Biennium
Oregon Health Authority - General Fund		
Personal Services	474,480	
Services and Supplies		
Position Related S&S	100,336	
Professional Services - Task Force	200,000	
Professional Services - Medicaid Buy-In	400,000	
Total General Fund - Oregon Health Authority	\$1,174,816	\$0

Analysis:

SB 770, with the -A9 amendment, establishes the 20-member Task Force on Universal Health Care charged with recommending the design of the Health Care for All Oregon Plan, a universal health care system, to be administered by the Health Care for All Oregon Board, that is equitable, affordable and comprehensive, provides high quality health care, and is publicly funded and available to every individual residing in Oregon. Members of the task force must be appointed by May 31, 2020. The task force must submit, to the 2021 Legislative Assembly, a report of its findings and recommendations for the design of the Health Care for All Oregon Plan and the Health Care for All Oregon Board. The bill sunsets on January 2, 2022.

In addition, the bill requires the Oregon Health Authority (OHA) to develop a plan for a Medicaid Buy-In program to provide an affordable health care option to all Oregon residents. OHA must submit the plan to the Legislature by May 1, 2020.

The -A9 amendment appropriates \$1,174,816 General Fund to the Oregon Health Authority to support the Task Force on Universal Health Care and to develop a plan for a Medicaid Buy-In program.

Oregon Health Authority (OHA)

OHA estimates the total fiscal impact of assisting the task force in designing the Health Care for All Oregon Plan and developing the plan for a Medicaid Buy-in Program to be \$1,174,816 General Fund and 3 positions (2.37 FTE) for the 2019-21 biennium. OHA anticipates the task force will need data and research from OHA in order to formulate findings and recommendations for the design of the Health Care for All Oregon Plan. This fiscal impact statement assumes OHA will be charged with tasks including:

1. Reviewing the work from existing health care professional boards and commissions.
2. Investigating other states' attempts at providing universal coverage and using single payer health care financing systems.
3. Applying for public and private grants from nonprofit organizations for the costs of research.
4. Formulating a list of federal and state laws, rules, state contracts or agreements, court actions or decisions that may facilitate, constrain, or prevent implementation of the plan, and an explanation of how the federal or state laws, rules, state contracts or agreements, court actions, or decisions may facilitate or constrain or prevent implementation.
5. Developing cost estimates for the Health Care for All Oregon Plan.
6. Drafting the report of task force findings and recommendations for the design of the Health Care for All Oregon Plan.

To conduct research, compile data, and produce reports within the timeframe required by the measure, OHA will need three full-time positions for 19 months of the 2019-21 biennium:

- One Operations and Policy Analyst 4 position to coordinate the work and internal OHA project management, policy research, and analysis.
- One Research Analyst 3 to conduct specific research needed to facilitate findings and task force recommendations.
- One Operations and Policy Analyst 3 position to produce and conduct complex research of data contained exclusively within OHA's data systems.

Fiscal pricing for supporting the task force also includes \$200,000 in consulting fees for subject matter experts to ensure regulatory and legal expertise and financial model design is available to OHA. In addition to supporting the task force, the bill requires OHA to develop a plan for a Medicaid Buy-In program. OHA estimates the consultant costs for legal and regulatory analysis as well as modeling of detailed financial and actuarial variables associated with the Medicaid Buy-In program to be \$400,000 General Fund.

Legislative Policy and Research Office (LPRO)

LPRO is directed to provide staffing support to the task force. The bill requires LPRO to begin preparing a work plan for the task force by September 30, 2020. This fiscal impact statement assumes LPRO will be charged with tasks including: (1) staffing the task force and its advisory and technical committees; (2) assisting OHA in facilitating state-wide public meetings to ensure input from individuals in rural and underserved communities; and (3) reimbursing committee members. The 2019-21 LPRO budget should contain funds allocated for supporting interim committees and task forces. If the work required by this task force, or if the cumulative enactment of other legislation with interim committees and task forces exceeds expenditure levels beyond those assumed in the 2019-21 budget, additional General Fund resources may be required.

Legislative Assembly

The four members of the task force are entitled to per diem and travel reimbursement. The estimated per diem and travel reimbursement cost for the four legislative members is \$841 per day. This amount includes the Federal Insurance Contribution Act (FICA) tax and assumes per diem remains at \$149 per day, and the average mileage of 90 miles remains at the current rate of \$0.58 per mile. Although the 2019-21 Legislative Assembly budget contains funds allocated for interim committees and task forces, if the work required by this task force, or if the cumulative enactment of other legislation with interim committees and task forces exceeds expenditure levels beyond those assumed in the 2019-21 budget, additional General Fund resources may be required. The task force would not incur additional costs to the Legislative Assembly budget if the meetings are held at the Capitol building during Legislative Session, Task Force, or Legislative Days.

Department of Consumer and Business Services (DCBS)

The fiscal impact of this bill on DCBS and the Oregon Health Insurance Marketplace is indeterminate depending on the level of contribution required of the agency. DCBS anticipates using existing staff and resources to serve as a non-voting member of the task force. However, the bill requires the task force to seek federal waivers. Given the highly technical and extensive research associated with seeking federal waivers, the Oregon Health Insurance Marketplace may be asked to provide staff assistance to the task force. If the workplan LPRO develops will require this work, DCBS may need additional resources.