FISCAL IMPACT OF PROPOSED LEGISLATION **Measure: HB 2981 - 1**

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: Haylee Morse-Miller
Reviewed by: Tom MacDonald
Date: March 16, 2021

Measure Description:
Requires Oregon Health Authority to establish and administer program to provide palliative care services and support provision of home- and community-based end of life care.

Government Unit(s) Affected:
Oregon Health Authority (OHA)

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

Analysis:
HB 2981 - 1 directs the Oregon Health Authority to administer a program to provide palliative care services through coordinated care organizations (CCOs). Services provided are to include palliative care assessments; advanced care planning including a discussion regarding completing a physician order for life-sustaining treatment (POLST); case management and care coordination provided by a registered nurse in an interdisciplinary team; pain and symptom management; mental health and medical social work services; 24-hour clinical telephone support; spiritual care services; and other services OHA prescribes by rule.

A patient qualifies for the program if they have been diagnosed with a serious illness with a life-limiting prognosis and palliative care is ordered by the patient's primary care provider. Palliative care is to be provided at a patient's choice of residence. The services provided must be determined by an interdisciplinary assessment team, which the bill defines as being comprised of a case manager who is a registered nurse, medical social worker, and physician or other primary care provider. A provider of palliative care services under the program, and a coordinated care organization, are to determine the reimbursement paid for services by mutual agreement. Residential care facilities or skilled nursing facilities are not subject to the rules adopted by OHA in providing or arranging palliative care services for residents of the facilities.

The bill with the -1 amendment has an indeterminate but potentially minimal impact on state expenditures. Assuming the required services do not substantively change CCO capitation rates in comparison to current contractually required services, the measure should not increase state expenditures. Certain palliative care services are already covered by Medicaid in Oregon. However, the requirement for interdisciplinary team involvement is different than currently offered services. The patient qualifications for palliative care are also potentially broader under the measure and may be dependent on how "life-limiting prognosis" is interpreted, as it is not defined in the bill. Apart from these unknowns that may or may not impact costs, savings could also be realized through reduced emergency department and hospital visits.

According to OHA, palliative care is not currently tracked as a single type of care and determining the number of clients already receiving palliative care is not possible. The timeframe for receiving services is also not understood. Until patient eligibility requirements, provider qualifications, services to be provided, and reimbursement rates and potential offsetting savings can be established, a specific fiscal impact cannot be determined.

It should also be noted that the -1 amendment appears to create disparities between covered services offered through CCOs versus those that are reimbursed on a fee-for-service basis. If the required palliative care services were extended to fee-for-service clients, the impact on OHA's budget could be more substantive on a per client basis.

This measure is referred to the Joint Committee on Ways and Means by prior reference.