



February 18, 2021

TO: The Honorable Rachel Prusak, Chair  
House Committee on Health Care

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SUBJECT: HB 2072 –Licensing fees for home health agencies

Chair Prusak and members of the committee; I am André Ourso, Administrator, Center for Health Protection, Public Health Division, Oregon Health Authority (OHA). I am here today to testify on HB 2072 which increases licensing fees for home health agencies (HHAs).

The Center for Health Protection, Health Care Regulation and Quality Improvement (HCRQI) section provides oversight of health care facilities and agencies through state licensure and federal certification. Among these are home health agencies that provide skilled nursing services and other therapeutic services to vulnerable individuals in their homes. Receiving these treatments safely at home allows patients to avoid long and short term stays in higher acuity settings like hospitals or skilled nursing facilities. HB 2072 increases licensure and renewal fees to support the regulatory oversight of these licensees and in doing so protects vulnerable patients.

Passage of this bill will maintain current service levels and allow the licensing program to be self-supporting, rather than requesting state general funds to meet current statutory requirements.

The program has a deficit of \$93,000 as of December 2020 and it is anticipated to increase to over \$290,000 by end of the next biennium without a licensing fee increase. The initial and annual renewal fees for home health licenses were last revised in 2009, and these fees no longer cover the program's operating costs for licensure and certification surveys, routine re-licensure and recertification surveys, complaint investigations, and technical support services. Home Health Agency oversight also receives some federal funding for the routine triennial surveys and complaint investigations related to from Centers for Medicare and Medicaid (CMS) certification

that pays approximately half of the costs of this work. This funding cannot be used for work related to state license-only home health agencies.

There are currently 69 licensed home health agencies in Oregon, and statutes require an on-site survey at least once every three years and prompt complaint investigations. An increase in fees would sustain the OHA's regulatory and oversight functions, which works to protect patients and their families. Operating at the current fee level jeopardizes the OHA's ability to maintain the required timelines for inspection.

The Authority has been working with stakeholders and while full consensus has not been reached on the fee increase, in response to a request from stakeholders the Authority would like to offer a more equitable fee option to reduce the burden on smaller home health agencies. The proposed amendments offer a tiered system for both initial licenses and for the annual renewal of licenses based on unduplicated patient admissions per calendar year. The higher fee is for large home health agencies, defined as those agencies that have 301 or more unduplicated admissions per calendar year. The lower fee is for small home health agencies, defined as those agencies that have 300 or fewer unduplicated admissions per calendar year and out-of-state agencies (OOS) that are certified by the Centers for Medicare and Medicaid Services in a border state and serve patients in Oregon. Using recent data, the Authority estimates there are 31 small HHAs, 8 OOS HHAs, and 30 large HHAs.

Thank you for the opportunity to testify. I'd be happy to answer any questions.