

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4095 - A2

81st Oregon Legislative Assembly – 2022 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Establishes Veterans Dental Program in Oregon Health Authority to provide oral health care to low-income veterans who reside in Oregon beginning in 2023.

Government Unit(s) Affected:

Department of Human Services (DHS), Department of Consumer and Business Services (DCBS), Oregon Health Authority (OHA), Information Technology, Oregon Department of Veterans' Affairs (ODVA), Counties

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis:

HB 4095 - A2 creates the Veterans Dental Program in the Oregon Health Authority (OHA), to be administered in collaboration with the Department of Consumer and Business Services (DCBS). The program is to provide oral health care to eligible veterans residing in Oregon. OHA is to contract with dental care organizations and individual providers in areas of the state not served by dental care organizations; and is to provide the types and extent of oral health care services OHA determines will be provided to medical assistance recipients without any corresponding copayments, deductibles, or cost sharing. Eligible individuals must be Oregon residents who are ineligible for medical assistance, have income at or below 400 percent of the federal poverty guidelines, and who are veterans, as defined in ORS 408.225, except that they may have been discharged or released under honorable or other than honorable conditions.

Funding to develop, administer, and fund the Program is to come from the Veterans' Services Fund, but if moneys in the Veterans' Services Fund are insufficient to cover the costs of the Veterans Dental Program, OHA may use moneys appropriated to OHA out of the General Fund for the provision of health care to cover the costs of the Program.

The measure takes effect on the 91st day after the Legislative Assembly adjourns sine die, with waiver applications reviewed beginning by October 15, 2022; applications for the program accepted by OHA no later than November 1, 2022; and oral health care provision beginning January 1, 2023.

Oregon Health Authority

OHA has an indeterminate impact as a result of this measure. The agency is unable to estimate the number of veterans who will meet the eligibility criteria for this program.

The known costs of program administration are estimated at \$455,039 General Fund and \$394,728 Other Funds in the 2021-23 biennium, and \$206,476 General Fund in the 2023-25 biennium. This includes hiring one full-time, permanent Operations and Policy Analyst 1 (0.25 FTE in 2021-23 and 1.00 FTE in 2023-25) at a total cost of \$60,311 General Fund in the 2021-23 biennium and \$206,476 General Fund in the 2023-25 biennium.

There are additional costs of \$394,728 General Fund in the 2021-23 biennium for updates to the ONE eligibility system and the Medicaid Management Information System (MMIS). Work will need to be done to create new benefit plans and input program eligibility reporting codes to identify the newly added veterans' population and correctly assign them to available managed care plans and managed care plan capitation rates. As executive branch agencies, OHA and DHS must comply with the Office of the State Chief Information Officer information technology investment oversight and independent quality management services policies and related statute.

The Other Funds costs in the 2021-23 biennium do not represent a true expense related to the overall cost of the measure, but rather Other Funds expenditure limitation that would be needed to properly budget for expenses paid through OHA's Shared Services budget structure. The funding for the Shared Services budget is included in the General Fund amounts discussed above.

The anticipated fiscal impact assumes that all program costs will be paid with General Fund. However, the measure states that OHA is to use moneys from the Veterans' Services Fund. If funding is available in the Veterans' Services Fund to help pay for the costs of this program, the Legislature will need to allocate dedicated Measure 96 Lottery Funds to OHA for this program.

Department of Human Services

The Department of Human Services (DHS) has an indeterminate fiscal impact from this measure. DHS anticipates costs could be up to of \$640,000 General Fund in the 2021-23 biennium, based on estimates of contracting for updates to the agency's ONE system. This includes creating code for eligibility rules and benefit issuance, development of a new type of assistance for this program, and updates to interfaces and reports, among other actions. OHA and DHS have some shared administrative functions, including information technology; these costs are separate from the IT costs listed for OHA above.

Other agencies

There is no fiscal impact for Counties and minimal impact for the Oregon Department of Veterans' Affairs. The Department of Consumer and Business Services anticipates a minimal fiscal impact, assuming that OHA will be the primary program administrator.