

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 704 - A**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Date: 3/23/2023

Measure Description:

Establishes Universal Health Plan Governance Board and directs board to create comprehensive plan for implementing Universal Health Plan beginning in 2027.

Government Unit(s) Affected:

Department of Administrative Services, Oregon Health Authority, Department of Human Services, Department of Consumer and Business Services, Information Technology, Office of the Governor

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
Department of Consumer and Business Affairs		
General Fund		
Personal Services	\$613,702	\$640,475
Services and Supplies	\$792,132	\$828,633
Total General Fund	\$1,405,834	\$1,469,108
<i>Positions</i>	3	3
<i>FTE</i>	2.68	3.00
Oregon Health Authority		
General Fund		
Personal Services	\$376,537	\$62,758
	\$36,333	\$16,605
Total General Fund	\$412,870	\$79,363
<i>Positions</i>	2	2
<i>FTE</i>	1.50	0.26
Total General Fund	\$1,818,704	\$1,548,471
<i>Total Positions</i>	5	5

Analysis:

SB 704 - A establishes the nine-member, Governor-appointed, Universal Health Plan Governance Board within the Department of Consumer and Business Services (DCBS). Members of the board are entitled to compensation and reimbursement of actual and necessary travel and other expenses incurred by the member in the performance of their official duties in accordance with ORS 292.495. The Board may adopt rules and establish any advisory or technical committees. Members of committees are not entitled to compensation but may be reimbursed from funds available to the Board in the manner and amount provided in ORS 292.495. The Board is to appoint an Executive Director to be responsible for administrative operations, and who may appoint employees. The Governor is to appoint the Executive Director until the Board has been appointed and confirmed. The executive director will hire policy analysis and administrative staff or contract with experts and consultants as needed.

The Board is to create a comprehensive plan to finance and administer a Universal Health Plan with a unified payment process using a single payer health care financing system. The Board is to oversee the implementation and administration of the plan, including designing benefit packages, processing claims, and building reserves to sustain the financing of the plan. The plan must keep with the findings and recommendations of the Joint Task Force on Universal Health Care in the report approved by the task force on September 29, 2022. The Board is also directed to:

- Assess the readiness of key health care and public institutions to carry out the plan and to collaborate with state agencies, including the Department of Consumer and Business Services (DCBS) and Department of Human Services (DHS) to determine how the agencies' existing systems will integrate with the Universal Health Plan.
- Work with the Governor's Office, the Oregon Health Authority (OHA), and federal authorities on necessary federal waivers or other options to secure federal and state funding
- Identify statutory authorities and information technology infrastructure needed for overall plan operations.
- Evaluate how to work with the nine federally recognized Indian tribes in Oregon and existing health care/health insurance entities and regional organizations.
- Study and address the impacts of the Universal Health Plan with respect to specific types of employers.
- Design the administrative and financing structure for the Universal Health Plan.
- Include a plan to create an independent public corporation.

The Board is to present to the interim committees of the Legislative Assembly related to health no later than September 15, 2026, on a comprehensive plan for implementation of the Universal Health Plan beginning in 2027. The measure establishes the Universal Health Plan Trust Fund, for the purpose of financing the planning, administration, and operation of the Universal Health Plan by the Universal Health Plan Governance Board. Moneys in the Universal Health Plan Trust Fund are continuously appropriated to the board for carrying out the Universal Health Plan, and do not revert to the General Fund at the end of a biennium. The measure declares an emergency and takes effect on passage.

Department of Consumer and Business Services

To support the board and coordinate program implementation, DCBS anticipates hiring 3 full-time permanent positions (2.68 FTE) for the 2023-25 biennium with a Personal Services cost of \$613,702 General Fund. DCBS notes that services and supplies costs will not begin until the 2025-27 biennium but there are one-time costs to establish workstations for these positions as well as provide computers and cell phones at a cost of \$23,100 General Fund.

- One full-time permanent Compliance and Regulatory Manager 2 position (0.92 FTE) to provide leadership to the Board and over the program, oversee program implementation, contract administration and the legislative report.
- One full-time permanent Administrative Specialist 2 position (0.88 FTE) to support the manager, conduct board administrative tasks and facilitate meetings.
- One full-time permanent Operations and Policy Analyst 4 position (0.88 FTE) to assist with contract administration, conduct legal research and collect data.

In 2025-27, these positions will scale up to 3.00 FTE and have a Personal Services cost of \$640,475 General Fund and an estimated \$36,501 General Fund in position-related Services and supplies costs.

In addition to position costs, DCBS estimates it will need to fund the following services for the both the 2023-25 and 2025-27 biennium:

- \$500,000 General Fund for three anticipated contracts for actuarial, medical/professional, and data/analytical services to support the Board's work.
 - \$11,514 General Fund for an existing Procurement and Contract Specialist 3 to develop and manage the requests for proposals for the Board. As this position is currently employed with DCBS, DCBS will charge the Board for the employee's time.

- \$45,866 General Fund to compensate Board and committee members for mileage as well as rent costs as the Board is assumed separate from DCBS.
- \$41,020 General Fund to for an estimated 140 hours of consultation with the Attorney General.
- \$170,632 General Fund for DCBS to provide payroll, human resources, IT support and financial services to the Board and staff.

Oregon Health Authority

To support DCBS and the Board with reporting requirements the following positions are anticipated with personal services cost of \$376,537 and \$36,333 in position-related services and supplies costs for the 2023-25 biennium:

- One full-time limited duration Operations and Policy Analyst 4 position (0.75 FTE) to serve as the subject matter expert on OHA's federal waivers and impacted programs for the Board.
- One full-time limited duration Operations and Policy Analyst 3 position (0.75 FTE) to assist with interagency coordination and policy development.

2025-27 costs are \$62,758 General Fund for these positions (0.26 FTE) with \$16,605 in position-related services and supplies costs; these positions will be phased out in September 2025.

OHA notes that during implementation of the Universal Health Plan they anticipate IT-related costs to update their system.

There is no fiscal impact to the Department of Administrative Services or the Office of the Governor.