

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 1074

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: MaryMichelle Sosne
 Reviewed by: Steve Robbins, Gregory Jolivette, Amanda Beitel
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Measure Description:

Directs Oregon Health Authority to administer two-year demonstration project in two counties to test whether expanding scope of compensable services provided by community health workers can improve outcomes for low-income families and children at risk of entering foster care system.

Government Unit(s) Affected:

Department of Human Services, Counties, Oregon Health Authority

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
Oregon Health Authority		
General Fund		
Personal Services	\$777,197	\$251,024
Services and Supplies	\$3,082,084	\$1,098,662
Total Fiscal Impact	\$3,859,281	\$1,349,686
<i>Total Positions</i>	4	4
<i>Total FTE</i>	3.14	1.00

Analysis:

SB 1074 appropriates an unspecified amount from the General Fund to the Oregon Health Authority (OHA) to administer a two-year demonstration project in Marion and Polk counties for the purpose of reducing the overall burden and cost on social services systems and improve outcomes for low-income families. The project will compensate community health workers focused on addressing social determinants of health that are not reimbursed by other programs. By September 15, 2027, OHA is required to report to the interim committees of the Legislative Assembly related to human services on the results of the demonstration project. The demonstration project becomes operative on January 2, 2024 and is repealed January 2, 2028. The measure permits OHA to complete preparatory work prior to the operative date of the measure.

The measure requires OHA to use the Activate Care technology platform to track data and referrals for state and local agencies as well as community-based organizations. OHA is directed to use data from the platform to link current non-reimbursed services with existing billing codes to expedite implementation if the project is successful and continues beyond the two-year period. Additionally, OHA will use data in the platform to track and monitor health outcomes and other measures developed by OHA. Unless specified elsewhere, the measure is effective 91 days following sine die.

The estimated fiscal impact of the measure is \$3,859,281 General Fund for the 2023-25 biennium, decreasing to \$1,349,686 General Fund for the 2025-27 biennium. Projected contract costs represent 78% of the costs in both biennia. In 2023-25, the projected contract costs include:

- \$2,099,880 to contract with 20 community-based health workers, assuming an annual wage of \$70,000 (pro-rated over 18 months in 2023-25); the 2025-27 cost is \$699,960 (pro-rated for six months).
- \$787,498 to contract with Activate Care or similar technology platform in 2023-25; for 2025-27 the cost is \$237,498.
- \$120,000 per biennium to contract with a program evaluation consultant.

To implement the measure within the agency, up to four limited duration full-time positions (3.14 FTE) are anticipated to be needed at a cost of \$851,903, including \$777,197 in personal services costs and \$74,706 in position-related services and supplies, for 2023-25:

- One Health Policy Program Manager 2 position (0.50 FTE) to oversee project operations and manage staff.
- One Operations and Policy Analyst 4 position (0.88 FTE) to lead the project, manage contracts and manage relationships with internal and external stakeholders.
- One Operations and Policy Analyst 3 position (0.88 FTE) to analyze data, assist with contract management and complete reporting.
- One Operations and Policy Analyst 3 position (0.88 FTE) to support technology procurement and planning and implementation of the data reporting and tracking software.

As the demonstration project will end January 2, 2026, positions are only required for six months of the 2025-27 biennium, for a total of 1.00 FTE and cost of \$292,228. The overall estimated fiscal impact of the measure represents a high-end estimate. Total costs could potentially be lower if contract management and technology procurement and planning activities are able to be addressed with existing OHA staff.

The measure has no additional fiscal impact to counties and assumes that the costs of the demonstration projects are supported through contracts with OHA.