

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 2665 - A**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

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

Prepared by: Emily Coates

Reviewed by: Ben Ruef, Michelle Deister, Kim To, Steve Robbins, John Borden

Date: 4/4/2023

**Measure Description:**

Directs Oregon Health Authority to adopt rules to establish rates that temporary staffing agency may charge to or receive from entity that engages temporary staffing agency. Authorizes OHA to impose civil penalties.

**Government Unit(s) Affected:**

Oregon Health Authority, Bureau of Labor and Industries, Employment Relations Board, Judicial Department, Department of Justice, Employment Department

**Summary of Fiscal Impact:**

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

**Analysis:**

The measure directs the Health Licensing Office (HLO) to establish a process to receive and investigate complaints regarding temporary staffing agencies. The measure allows the HLO to impose civil penalties, \$500 per day per violation or, revoke, suspend or impose conditions on the authorization of a temporary staffing agency pursuant standards adopted by the Oregon Health Authority (OHA). The measure directs OHA to adopt rules to establish maximum rates that a temporary staffing agency may charge or receive from an entity that engages the temporary staffing agency and requires OHA to evaluate maximum rates annually. In addition, OHA shall establish a process for temporary staffing agencies or entities that engage temporary staffing to apply for a maximum rate waiver. HLO and OHA may act before the operative date of January 1, 2025.

The measure is effective on the 91st day after sine die.

OHA estimates the fiscal impact of the measure is \$2 million General Fund for six positions (5.28 FTE) and associated costs for the 2023-25 biennium and \$1.6 million General Fund for six positions (6.00 FTE) and associated costs for the 2025-27 biennium. OHA anticipates the Health Policy and Analytics Division will need the following six positions to establish maximum rates, process waivers, and evaluate rates annually.

**Health Policy and Analytics Division**

Position Title	Purpose	FTE
1 Operations & Policy Analyst 4	Oversight of rate setting/evaluation of program operations.	0.88 FTE
1 Operations & Policy Analyst 3	Policy development and implementation.	0.88 FTE
1 Project Manager 3	Design, implementation, program management, communication and coordination with temp agencies and health care systems.	0.88 FTE
1 Research Analyst 3	Database management, data collection, data cleaning and validation, rate monitoring, and rate adjustments	0.88 FTE
1 Administrative Specialist 2	Program administrative support.	0.88 FTE
1 Health Policy & Program Manager 2	Oversee program staff, rate setting efforts, and serve as the liaison between partners.	0.88 FTE

OHA reports that the fiscal impact for the Oregon State Hospital (OSH) is indeterminate. Since OSH is a psychiatric care facility and has different standards of care than other facilities, OHA cannot quantify the overall impact of maximum rate setting.

There is a minimal fiscal impact for the Department of Justice, Oregon Judicial Department, and Bureau of Labor and Industries.

There is no fiscal impact for the Employment Relations Board or Oregon Employment Department.

This measure has a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact on the State's General Fund.