

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 1089 - 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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**Measure Description:**

Establishes Universal Health Plan Governance Board.

**Government Unit(s) Affected:**

Department of Administrative Services, Department of Consumer and Business Services, Department of Human Services, Information Technology, Office of the Governor, 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
<b>Department of Consumer and Business Services</b>		
<b>General Fund</b>		
Personal Services	\$613,702	\$684,359
Services and Supplies	\$792,132	\$834,350
Special Payments	\$36,742	\$36,742
<i>Total Funds</i>	\$1,442,576	\$1,555,451
<i>Positions</i>	3	3
<i>FTE</i>	2.68	3.00
<b>Oregon Health Authority</b>		
<b>General Fund</b>		
Personal Services	\$376,537	\$62,758
Services and Supplies	\$36,333	\$16,605
<i>Total Funds</i>	\$412,870	\$79,363
<i>Positions</i>	2	2
<i>FTE</i>	1.50	0.25
<b>Total Fiscal Impact</b>	<b>\$1,855,446</b>	<b>\$1,634,814</b>
<i>Total Positions</i>	5	5
<i>Total FTE</i>	4.18	3.25

**Analysis:**

SB 1089-A establishes the nine-member Universal Health Plan Governance Board within the Department of Consumer and Business Services (DCBS). By September 15, 2026, the board must present its finance and administration plan for a single payer health care system. The measure is effective on passage.

Board members are eligible for compensation equal to per diem authorized by the Internal Revenue Service and reimbursement for travel and other expenses. The standard per diem rate is \$157 and the reimbursed mileage rate is .0655 per mile. The estimated biennial cost for board member compensation and mileage reimbursement

is \$36,742. This cost assumes nine members meeting 24 times with an estimated round trip of 100 miles. Actual costs for board member compensation and reimbursement are dependent on the number of members eligible for compensation based on their adjusted gross income in the previous tax year (ORS 292.495), the number of meetings held and whether the meetings are held in person or virtually.

The board may appoint technical or advisory committees and at its discretion, provide reimbursement for travel or related expenses. The estimated reimbursement cost for one advisory committee, assuming 10 members attending 24 meetings is \$1,572 per biennium. The board will appoint an executive director and establish the salary for the position. Prior to board establishment, this authority is granted to the governor. The executive director may appoint policy and administrative staff or contract with experts as needed.

Variance from assumptions will affect the fiscal impact on the board and agencies. If costs exceed agency resources, a supplemental General Fund appropriation or additional expenditure limitation may be needed.

#### Department of Consumer and Business Services

The fiscal impact on DCBS for the 2023-25 biennium is estimated at \$1.4 million General Fund. Positions to support the board along with associated services and supplies are estimated to cost \$694,727 General Fund. These include:

- One full-time permanent Compliance and Regulatory Manager 2 position (0.92 FTE) to serve as the executive director, provide leadership to the Board and the program, oversee 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.

Additional estimated costs are as follows:

- \$500,000 General Fund per biennium for three contracts to provide actuarial, medical, data, analytical or other professional expertise.
  - \$11,514 General Fund for an existing Procurement and Contract Specialist 3 to initiate and monitor the request for proposal process.
- \$170,632 General Fund direct billed by DCBS to provide administrative services such as payroll, IT support, and financial services to the Board and staff.
- \$45,866 General Fund to compensate or reimburse board members for mileage and applicable expenses.
- \$41,020 General Fund for an estimated 140 hours of consultation with the Attorney General.
- \$38,324 General Fund for board compensation and board and committee travel reimbursement.

For the 2025-27 biennium, the fiscal impact on DCBS is \$1.5 million. The increase from 2023-25 is attributed to the full biennial costs of the three positions being 1.00 FTE each.

#### Oregon Health Authority

The fiscal impact of the measure on the Oregon Health Authority (OHA) is \$412,870 General Fund for two full-time limited duration positions (1.50 FTE). These include:

- 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.

For the 2025-27 biennium, the fiscal impact on OHA is just under \$80,000 as the two above positions will be phased out in September 2025.

OHA notes that during implementation of the Universal Health Plan they anticipate IT-related costs to plan, build and develop their systems to meet new requirements of the plan.

The measure has no fiscal impact on the Department of Administrative Services, the Department of Human Services, or the Office of the Governor.