



Legislative Fiscal Office
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Bill Title: Relating to care for vulnerable individuals; declaring an emergency.

Government Unit(s) Affected: Department of Human Services, Oregon Health Authority, Department of Early Learning and Care

Summary of Fiscal Impact

2023-25 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Human Services	\$ 87,435	\$ -	\$ -	\$ 87,435	\$ 174,870	3	0.75
Oregon Health Authority	\$ 65,724	\$ -	\$ -	\$ 65,724	\$ 131,448	1	0.50
Total Fiscal Impact	\$ 153,159	\$ -	\$ -	\$ 153,159	\$ 306,318	4	1.25

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Human Services	\$ 4,237,359	\$ -	\$ -	\$ 7,290,640	\$ 11,527,999	9	5.89
Oregon Health Authority	\$ 128,279	\$ -	\$ -	\$ 128,278	\$ 256,557	1	1.00
Total Fiscal Impact	\$ 4,365,638	\$ -	\$ -	\$ 7,418,918	\$ 11,784,556	10	6.89

Measure Description

SB 1521-A12 has the following major provisions:

- Authorizes the Department of Human Services (DHS) to contract with one or more organizations to provide enhanced services and supports to employers of personal support workers and requires at least one such contract be in place by July 1, 2026.
- Requires DHS to adopt rules related to minimum qualifications for organizations that deliver agency with choice services and requires DHS to contract with at least one such organization no later than January 1, 2026.
- Prohibits agencies that employ direct support workers to offer incentives, such as offering prizes or other forms of consideration to direct support staff or clients in exchange for agreement to work with the agency.
- Establishes one position within the Oregon Health Authority (OHA) to investigate Medicaid’s program integrity and take enforcement actions if necessary.
- Extends the exemption from automatic sprinklers in adult foster care homes to licenses issued prior to July 1, 2026.

Fiscal Analysis

The fiscal impact of the measure for the 2023-25 biennium is \$153,159 General Fund, \$153,159 Federal Funds and four positions (1.25 FTE). The fiscal impact of the measure for the 2025-27 biennium increases due to agency with choice provider payments, enhanced services and support payments and the positions within DHS

required to support these programs. The 2025-27 fiscal impact is \$4,365,638 General Fund, \$7,418,918 Federal Funds and 10 positions (6.89 FTE).

Department of Human Services

The fiscal impact of the measure on DHS for the 2023-26 biennium is \$87,435 General Fund, \$87,435 Federal Funds and three positions (0.75 FTE) to manage provider enrollment, and monitor license compliance. The fiscal impact on DHS increases in the 2025-27 biennium to \$4,237,359 General Fund, \$7,290,640 Federal Funds and nine positions (5.89 FTE) when agency which choice services begin, and additional support staff are added to support the new providers. This includes \$3,562,173 General Fund and \$6,615,463 Federal Funds for agency with choice provider payments which assumes 1,676 personal support workers and direct support workers transition to an agency with choice provider and work 150 hours per month at \$33.86 per hour. The positions supporting agency with choice are estimated to cost \$675,186 General Fund and \$675,177 Federal Funds; these positions will serve as field agents to engage individuals using the service and manage quality assurance, manage the increase in billing, provide data analysis and monitor and review the new provider agencies as well as ensure new adult foster homes meet automatic sprinkler requirements.

Oregon Health Authority

The fiscal impact of the measure on OHA is \$65,724 General Fund, \$65,724 Federal Funds, and one full-time permanent position (0.50 FTE) for the 2023-25 biennium. This position fills the requirement of the measure that requires OHA to hire one position to investigate Medicaid program integrity and take enforcement actions. Costs increase in the 2025-27 biennium to \$128,279 General Fund and \$128,278 Federal Funds as the position increases to 1.00 FTE.

Department of Early Learning and Care

The measure has no fiscal impact on the Department of Early Learning and Care.

Relevant Dates

The measure declares an emergency and takes effect on passage.

DHS must contract with one or more organizations to provide enhanced services and supports to employers of personal support workers and have at least one such contract in place by January 1, 2026.

DHS must adopt rules related to minimum qualifications for organizations endorsed to deliver agency with choice services and contract with at least one such organization by January 1, 2026.

The exemption from automatic sprinkler system requirements for residential training homes is extended to licenses issued prior to July 1, 2026.