



Legislative Fiscal Office
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Bill Title: Relating to adult foster homes; prescribing an effective date.

Government Unit(s) Affected: Department of Human Services, Long Term Care Ombudsman, Oregon Health Authority

Summary of Fiscal Impact

Costs related to the measure for the Department of Human Services and the Oregon Health Authority are indeterminate at this time - see explanatory analysis.

Measure Description

SB 1591 allows adult foster homes to increase the number of older adults they serve from five to seven if the adult foster home meets the following qualifications:

- The adult foster home received an initial license to operate for at least 24 months.
- The adult foster home has been licensed to provide care to five residents for at least 12 months.
- The provider confirms the increase in residents will not have an adverse effect on the existing residents.
- The home is compliant with emergency evacuation guidelines.
- The home has a residential sprinkler system in place and is compliant with all required fire and safety regulations.
- The provider has paid all required fees.

The Department of Human Services is directed to adopt rules to ensure the safety of residents in an adult foster home with more than five residents. The measure provides that the definition of “residential care facility” does not include adult foster homes with more than five residents.

Fiscal Analysis

The fiscal impact of the measure is indeterminate for the Department of Human Services (DHS) and the Oregon Health Authority (OHA), which is largely due to the potential impact on caseload being unknown. According to DHS’s projections, the adult foster home caseload could increase by between 49 and 591 cases per month. However, the net cost impact related to assumptions on caseload is difficult to predict because of the potential for individuals to enter an adult foster home with increased capacity from an existing Aging and People with Disabilities program, which would have offsetting savings. The expanded capacity could also result in the ability to place individuals who are currently in higher and costlier levels of care in adult foster homes. In addition, the extent to which the changes in the measure would encourage providers to modify their current homes or potentially build new ones to accommodate additional residents is unknown and may not materially change in the near term given the time it takes for such modifications or construction projects to occur. Notably, some homes currently have capacity to serve fewer than five adults and the increased capacity allowed under this measure may not provide an incentive for such homes to expand.

Apart from program service costs, identifying the impact of adult foster home capacity is critical to understanding the potential impact on DHS and OHA operations in terms of the number of positions required to adequately support facility licensing, consultations, and inspections. DHS and OHA will likely need additional staff if the measure incentivizes enough providers to expand their capacity notwithstanding the net impact on caseload.

While overall costs are indeterminate, some estimates have been provided for potential position costs. To develop training, support complex case consultations and process corrective action work, DHS has indicated that as many as seven full-time positions (\$503,532 General Fund and \$503,269 Federal Funds) could be needed. OHA also anticipates that one full-time permanent position (\$65,724 General Fund and \$65,493 Federal Funds) could be needed to verify that adult foster homes meet the safety requirements. These potential positions should be considered high-level estimates until the actual caseload and program capacity impact is known.

In addition to caseload, the eXPRS payment system would require updates to permit a higher capacity provider. DHS would also need to complete a wage study to determine rates for providers with higher capacity homes. DHS notes the measure may require the department and SEIU to renegotiate the collective bargaining agreement.

Relevant Dates

The measure takes effect on the 91st day after sine die.