



Legislative Fiscal Office
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Bill Title: Relating to employed individuals with disabilities; declaring an emergency.

Government Unit(s) Affected: Department of Human Services, Oregon Health Authority

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Health Authority	\$ 1,504,364	\$ -	\$ -	\$ 2,501,381	\$ 4,005,745	2	1.75
Department of Human Services	\$ 1,111,442	\$ -	\$ -	\$ 1,938,581	\$ 3,050,023	-	-
Total Fiscal Impact	\$ 2,615,806	\$ -	\$ -	\$ 4,439,962	\$ 7,055,768	2	1.75
2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Health Authority	\$ 2,814,408	\$ -	\$ -	\$ 4,135,395	\$ 6,949,803	2	2.00
Department of Human Services	\$ 792,662	\$ -	\$ -	\$ 1,346,561	\$ 2,139,223	-	-
Total Fiscal Impact	\$ 3,607,070	\$ -	\$ -	\$ 5,481,956	\$ 9,089,026	2	2.00

- The table does not include the duplicate Other Funds expenditure limitation necessary to pay for expenses through the agencies Shared Services budget structure. See analysis below.

Measure Description

The measure directs the Department of Human Services (DHS) to provide medical assistance to employed individuals with disabilities residing in Oregon who are eligible for Medicaid irrespective of their income or resources. DHS is required to seek a federal waiver to exclude an income from the eligibility requirement. The measure requires DHS to take any action necessary to ensure the program is operational on or before July 1, 2027. The measure declares an emergency and is effective on passage.

Fiscal Analysis

The Employed Persons with Disabilities Program is a Medicaid program administered by DHS that provides medical assistance to 2,668 employed individuals with disabilities who earn no more than 250% of the federal poverty level for a family of one and with fewer than \$5,000 in countable resources. Based on recent denials or loss of benefits due to income, DHS estimates the SB 20 income disregard will increase the program caseload by 322 individuals. The measure will result in increased benefit payment, system modification, and staffing costs.

Oregon Health Authority

The fiscal impact of the measure on the Oregon Health Authority (OHA) is \$4 million total funds and two positions (1.66 FTE) in 2025-27. Of the total fiscal impact, \$3 million total funds are associated with increased utilization of medical assistance for a 12-month period. Actual costs will be dependent on the number of individuals who elect to participate in the program. The expansion of medical assistance eligibility will require

updates to the Medicaid Management Information System (MMIS). OHA will hire a contractor to complete initial updates which are estimated to require 3,724 contractor hours. The contract cost will be a one-time fee of \$532,943 total funds. To support ongoing maintenance and conduct Transformed Medicaid Statistical Information System (T-MSIS) Federal reporting management, OHA will require two permanent full-time information systems specialist 7 positions (1.66 FTE). The cost for these positions including personal services and position-related services and supplies is \$505,250 total funds. These positions will be budgeted within the Office of Information Services and will require duplicate Other Funds expenditure limitation to pay for expenses through OHA and DHS' Shared Services budget structure if the measure is adopted.

Department of Human Services

The fiscal impact of the measure on DHS is \$3 million total funds. Of the total, \$2.1 million total funds is the increase expected for long term services and supports (LTSS) provider payments which will be provided to approximately 14% or 45 individuals. Actual costs will be dependent on the number of eligible individuals who elect to participate in the program. Additional costs include updates to the ONE system to create a new assistance type, establish eligibility rules, and update the applicant portal amongst other changes. DHS will establish a contract with a vendor to complete these updates. Total contract hours are estimated to be 5,060 hours with a one-time cost of \$910,800 total funds.

Relevant Dates

The measure declares an emergency and takes effect on passage.

DHS may take any steps necessary to ensure the program is operative by July 1, 2027.