



Legislative Fiscal Office
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2025 Regular Session

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Bill Title: Relating to the recovery of public assistance; prescribing an effective date.

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

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Human Services	\$ 2,990,835	\$ -	\$ -	\$ 94,037	\$ 3,084,872	1	0.88
Oregon Health Authority	\$ 784,348	\$ -	\$ -	\$ 64,348	\$ 848,696	-	-
Total Fiscal Impact	\$ 3,775,183	\$ -	\$ -	\$ 158,385	\$ 3,933,568	1	0.88
2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Human Services	\$ 3,961,545	\$ -	\$ -	\$ 103,124	\$ 4,064,669	1	1.00
Oregon Health Authority	\$ 1,030,723	\$ -	\$ -	\$ 70,723	\$ 1,101,446	-	-
Total Fiscal Impact	\$ 4,992,268	\$ -	\$ -	\$ 173,847	\$ 5,166,115	1	1.00

- The table does not include duplicate Other Funds expenditure limitation necessary to pay for expenses through the Department of Human Services and the Oregon Health Authority's Shared Services budget structure.
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Summary of Revenue Impact

Agency -- Fund Type	2025-27 Biennium	2027-29 Biennium
Department of Human Services -- Other Funds	\$ (2,880,000)	\$ (3,840,000)
Oregon Health Authority -- Other Funds	\$ (720,000)	\$ (960,000)
Total Revenue Impact	\$ (3,600,000)	\$ (4,800,000)

Measure Description

The measure adds an additional exemption to the Department of Human Services (DHS) and the Oregon Health Authority's (OHA) right to collect payments for medical assistance made in error. The measure prevents estate recovery in certain circumstances. DHS and OHA are directed to seek a federal waiver from the Centers for Medicare and Medicaid Services (CMS) within six months of the measure's effective date to enact the provisions of the measure. The prohibition of estate recovery in certain circumstances will only become operative if CMS approval is received. The measure takes effect on the 91st day following sine die.

Fiscal Analysis

DHS and OHA are unable to isolate the number of estate recovery claims specific to the prohibited scenario described in the measure. For this fiscal impact, projections are based on 2024 data and assume a 10% annual reduction. Revenue from these claims is split between the two agencies with DHS retaining 80% and OHA retaining 20%. With a 10% annual reduction, the estimated revenue loss for 2025-27 (18 months) is \$1.9 million for DHS and \$720,000 for OHA. In 2027-29 revenue will decrease by an estimated \$2.9 million Other Funds and OHA's revenue will decrease by \$960,000 Other Funds. To provide the same level of operations and service the reduction in revenue will need to be backfilled with General Fund.

Department of Human Services

The estimated fiscal impact on DHS is \$3.1 million total funds and one permanent position (0.88 FTE). Of the total, \$2.9 million General Fund will back fill the loss in Other Funds revenue. Additional costs include one permanent full-time Compliance Specialist 2 position (0.88 FTE) to manage rulemaking and ongoing program compliance. This position is budgeted within the Office of Payment and Recovery, a Shared Service of DHS and OHA. Both agencies will share the cost using General Fund and Federal Funds. DHS will require duplicate Other Funds expenditure limitation to properly budget for the position through the Shared Services budget structure. The estimated cost to DHS for this position, including personal services and position-related services and supplies is \$108,109 General Fund and \$91,724 Federal Funds along with \$5,039 total funds in statewide assessments and enterprise-wide costs. OHA's share is \$64,348 General Fund and \$64,348 Federal Funds. DHS will require \$328,529 in duplicate Other Funds expenditure limitation for the personal services and services and supplies costs for this position. The fiscal impact of the measure increases in 2027-29 to \$4.1 million total funds due to a full 24 months of revenue loss backfilled with General Fund and the position increasing to 1.00 FTE.

Oregon Health Authority

The estimated fiscal impact on OHA is \$848,696 total funds of this total \$720,000 General Fund is required to backfill the reduction in Other Funds revenue. Additionally, OHA will pay for a portion of the Shared Services position described above, OHA's allocation of costs is \$64,348 General Fund and \$64,348 Federal Funds. The fiscal impact of the measure increases in 2027-29 to \$1.1 million total funds due to a full 24 months of revenue loss backfilled with General Fund and the position increasing to 1.00 FTE.

Other Entities

The measure has a minimal fiscal impact on the Oregon Judicial Department and no fiscal impact on the Department of Justice.

Relevant Dates

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

Within six months of the measure's effective date, OHA and DHS must seek a waiver or approval from the Centers for Medicare and Medicaid Services to enact the requirements of the measure.

Provisions of the measure are operative upon approval from the Centers for Medicare and Medicaid Services.