



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

Prepared by: MaryMichelle Sosne
Reviewed by: Gregory Jolivet, Matt Stayner, Amanda Beitel, Michelle Deister
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Bill Title: Relating to hospital discharge challenges; declaring an emergency.

Government Unit(s) Affected: Department of Human Services, Oregon Health Authority, Counties, Housing and Community Services Department

Summary of Fiscal Impact

| 2025-27 Biennium | General Fund | Lottery Funds | Other Funds | Federal Funds | Total Funds | Positions | FTE |
|------------------------------|---------------------|---------------|-------------|---------------------|---------------------|-----------|-------------|
| Oregon Health Authority | \$ 1,870,452 | \$ - | \$ - | \$ 2,474,207 | \$ 4,344,659 | 3 | 1.88 |
| Department of Human Services | \$ 2,135,440 | \$ - | \$ - | \$ 2,135,440 | \$ 4,270,880 | 6 | 5.28 |
| Total Fiscal Impact | \$ 4,005,892 | \$ - | \$ - | \$ 4,609,647 | \$ 8,615,539 | 9 | 7.16 |

| 2027-29 Biennium | General Fund | Lottery Funds | Other Funds | Federal Funds | Total Funds | Positions | FTE |
|------------------------------|---------------------|---------------|-------------|---------------------|---------------------|-----------|-------------|
| Oregon Health Authority | \$ 2,365,545 | \$ - | \$ - | \$ 3,376,681 | \$ 5,742,226 | 1 | 1.00 |
| Department of Human Services | \$ - | \$ - | \$ - | \$ - | \$ - | - | - |
| Total Fiscal Impact | \$ 2,365,545 | \$ - | \$ - | \$ 3,376,681 | \$ 5,742,226 | 1 | 1.00 |

Measure Description

The measure has the following major provisions:

- Requires the Department of Human Services (DHS) and the Oregon Health Authority (OHA) to create a dashboard that measures the processing time of eligibility determinations for long term care services and supports.
- Requires DHS and OHA to conduct an operational review of eligibility determinations for long term care services and supports and submit a report to the legislature by August 15, 2026.
- Requires DHS and OHA to study the regulatory governance for facilities serving individuals with complex medical or behavioral conditions and submit a report to the legislature by August 15, 2026.
- Requires DHS and the Housing and Community Services Department to study how building codes may affect adult foster homes and community-based care and identify options to offset the costs for establishing new adult foster homes. The departments must submit a report to the legislature by August 15, 2026.
- Requires DHS and OHA to study options to coordinate and expand medical respite programs as well as improve hospital discharge times for individuals who are dually eligible for Medicare and Medicaid plans and submit a report to the legislature by August 15, 2026.
- Requires OHA to provide a post-hospital extended care benefit to medical assistance recipients and include this benefit in new contracts with coordinated care organizations (CCOs). OHA must seek federal approval by September 1, 2025.

Fiscal AnalysisOregon Health Authority

The estimated fiscal impact of the measure is \$4.3 million total funds and three full-time positions (1.88 FTE) in 2025-27. The estimated cost of positions, including personal services and standard position-related services and supplies cost is \$510,458 total funds in 2025-27. New positions include:

- One full-time permanent Operations and Policy Analyst 3 position to implement the post-hospital extended care benefit and serve as the subject matter expert for CCOs and the agency.
- One full-time limited duration Operations and Policy Analyst 3 position to research and report on the regulatory governance of adult foster homes and residential care facilities.
- One full-time limited duration Research Analyst 3 position to collect and analyze data for the medical respite study.

The estimated cost for increasing the post-hospital extended care benefit to 20 days to 100 days is \$3.8 million total funds in 2025-27, starting January 1, 2026. Currently, there are 194 individuals in a post-hospital extended stay either through the Healthier Oregon Program or the Oregon Health Plan, this projection assumes a utilization increase of 30% in 2025-27. The projection does not include a factor for earlier hospital discharges, nor does it include potential savings for reducing re-admissions to hospitals or emergency rooms.

In 2027-29, the estimated fiscal impact increases to \$5.7 million. The majority of the increase is attributed to the post-hospital extended care benefit, costs reflect a full 24 months of coverage and are estimated to be \$5.5 million total funds. Position costs decrease to \$276,187 total funds and one full-time permanent position (1.00 FTE), the limited duration positions from 2025-27 phase out as of June 30, 2025.

Department of Human Services

The estimated fiscal impact of the measure is a one-time cost of \$4.3 million total funds and six full-time limited duration positions (5.28 FTE) in 2025-27. The estimated cost of positions, including personal services and standard position-related services and supplies costs is \$1.5 million in 2025-27. New positions include:

- Project manager 2 to manage the deliverables of the bill and provide interagency coordination.
- Information Security Specialist 6 to create the dashboard.
- Four Operations and Policy Analyst 3 positions to assist contractors, conduct research and analysis, and develop the required reports.

Additional costs include \$2.8 million total funds to establish seven contracts to research and report on the following:

- The operational review on eligibility determinations for long term care services and supports.
- Options to waive or streamline asset testing for long term care services.
- The regulatory governance for adult foster homes and residential care facilities
- The impact separate licensing requirements have on adult foster homes and residential care facilities.
- The impact of civil penalties assessed against adult foster homes and residential care facilities.
- Opportunities to offset the cost of creating new adult foster homes and other community-based care settings.

Other Entities

The measure will have a minimal fiscal impact on the Housing and Community Services Department.

Relevant Dates

The measure declares an emergency and takes effect on passage.

OHA must seek federal approval for the post-hospital extended care benefit by September 1, 2025.

Reports to the Legislature are due August 15, 2026.

All provisions regarding studies are repealed on January 2, 2027.