



General Description:

Every two years the Patient Safety Commission adopts a biennial budget. We do this by administrative rule, in a way that allows for proper notification, a public comment period, and a public hearing. For the next cycle (fiscal year 2009-2011) the Commission proposes a two year budget of \$993,281.

The public may provide written testimony directly to the Patient Safety Commission until 5 PM June 23, 2009. We have also scheduled a Public Hearing for Tuesday, June 23rd at 12 noon (Portland State Office Building, 800 NE Oregon Street, Portland), Room 1-D. Please see the Commission's website for additional information about our proposed budget.

Revenue Assumptions:

A. Fees

The Patient Safety Commission's principal source of income is from fees on health care facilities and community-based pharmacies. **We will not increase fees during the 2009-2011 biennium. They will remain at current levels:**

- Hospitals
 - \$8,500 (hospitals with more than 10,000 discharges per year)
 - \$3,500 (hospitals with 3,000 to 10,000 discharges per year)
 - \$1,000 (hospitals with fewer than 3000 discharges per year)
- Nursing homes - \$700 per year
- Ambulatory Surgery --\$850 per year
- Retail Pharmacy -- \$150 per year

We will set fees for outpatient renal dialysis centers in 2009/10.

B. Medicaid Matching

We believe that the fees collected by the Commission are eligible for Federal Medicaid matching. While the specifics still need to be negotiated, we anticipate about \$26,000 per year in additional funds.

C. Grants

The Commission will more aggressively seek grant funding in the next biennium.

Significant Cost assumptions:

About 82% of the budget is related to staffing. Salaries (60% of total budget), retirement benefits (5%), and health costs (12%) are the major components. Also of note:

- Salary increases for 2010 = 0%. 2011 = 3.5%.
- .6 FTE staff add in 2009 (bringing the total from 3.75 to 4.35 FTE). This part-time staff add represents an increase first proposed in the 2007-2009 budget, but never put in place.
- PERS employer rates for 2009-2011 are significantly lower (now set at 2.06% and 2.84% depending on PERS status).

Comparisons to 2007-2009 Biennial Budget

The 2009-2011 budget (\$993,281) is 5% lower than the 2007-2009 budget (\$1,047,933).

Reasons include:

- PERS contribution fees are slated to drop significantly (by statute the Commission must participate in PERS);
- Clinical consultation fees were reduced (the Commission has had good luck in creating pro-bono technical panels);
- Health care costs are rising less quickly than expected;
- 2009-2011 budget does not include any major capital project (like the web-based reporting tool we put in place last year).