

SB 595 STAFF MEASURE SUMMARY

Senate Committee On Human Services

Prepared By: Matthew Perreault, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/25, 4/3, 4/8

WHAT THE MEASURE DOES:

The measure requires that multiyear contracts between the Department of Human Services and private providers of health and social services include annual adjustments for inflation as calculated by the federal Consumer Price Index. The measure applies to contracts that begin on or after the effective date.

REVENUE: May have revenue impact, but no statement yet issued

FISCAL: May have fiscal impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Department of Human Services (ODHS) engages in contracts with private entities to provide many of the services that the agency is responsible for providing, including residential care for vulnerable children and adults, support services for immigrants and refugees, employment and vocational rehabilitation services for individuals with disabilities, and emergency response. The [Office of Contracts and Procurement](#) manages contracting processes for ODHS and the Oregon Health Authority through [OregonBuys](#), the state's electronic procurement system.

The [Bureau of Labor Statistics](#) within the U.S. Department of Labor calculates the official statistics for economic indicators such as inflation and unemployment. Inflation is calculated via the Consumer Price Index (CPI) by analyzing trends over time in the total cost of a common bundle of goods and services that consumers typically purchase, such as food, housing, and gasoline. The [December 2024 CPI estimate](#) for urban consumers in the western U.S. found that prices had increased 2.5 percent over the previous 12 months.