

Joint Committee on Ways and Means

Carrier – House: Rep. Boone
Carrier – Senate: Sen. Westlund

Revenue: No revenue impact

Fiscal: Fiscal statement issued

Action: Do Pass

Vote: 16 – 4 – 1

House – Yeas: D. Edwards, Galizio, Jenson, Nathanson, Nolan, Shields
– Nays: Garrard, Hanna, Morgan
– Exc:

Senate – Yeas: Bates, Carter, Gordly, Johnson, Morse, Nelson, Schrader, Verger, Westlund, Winters
– Nays: Whitsett
– Exc: Devlin

Prepared By: John Britton, Legislative Fiscal Office

Meeting Date: 4/20/07

WHAT THE MEASURE DOES: The measure repeals Section 9, Chapter 806, Oregon Laws 2005 (HB 3108-B).

ISSUES DISCUSSED:

- The reductions related to Section 9 of HB 3108B
- OHP reductions related to Section 9 of HB 3108B would have been implemented during the 2005-07 biennium
- The reduction associated with over-the-counter drugs for below-the-line of OHP treatments is a reduction contained in the Governor's Recommended Budget for 2007-09 and is assumed to begin in January 2008

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The 2005-07 Legislatively Adopted Budget included four reductions to Oregon Health Plan benefits including inpatient hospital services, prescription and over-the-counter medications, dental, and vision services. HB 3108B allowed the Department of Human Services (DHS) to implement these reductions by adopting administrative rules and required DHS to apply to the federal Centers for Medicare and Medicaid Services (CMS) for approval to implement the reductions. Although CMS granted approval in September 2006, DHS was advised by legislative leadership not to implement the OHP reductions. Because these reductions were assumed in the budget but not made, the DHS budget is estimated to be about \$1,988,251 General Fund short for the 2005-07 biennium. The latest 2005-07 DHS rebalance plan funded in SB 5547 contains a General Fund appropriation for this amount.