

Joint Committee on Ways and Means

Carrier – House: Rep. Kotek

Carrier – Senate: Sen. Bates

Revenue: No revenue impact

Fiscal: Fiscal statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 21 – 0 – 1

House

Yeas: Buckley, C. Edwards, D. Edwards, Galizio, Garrard, Gilman, Jenson, Kotek, Nathanson, Richardson, Shields, G. Smith

Nays:

Exc:

Senate

Yeas: Bates, Carter, Girod, Johnson, Monroe, Nelson, Verger, Walker, Whitsett

Nays:

Exc: Winters

Prepared By: John Britton, Legislative Fiscal Office

Meeting Date: 6/16, 6/23

WHAT THE MEASURE DOES: HB 2126 makes statutory changes that would allow certain program reductions assumed in the development of the DHS primary budget bill (SB 5529) to be implemented.

ISSUES DISCUSSED:

- The committee amendment.
- Concerns about reductions to the Gambling Addiction prevention and treatment program and those to the JOBS and Employment Related Day Care program.

EFFECT OF COMMITTEE AMENDMENT: The committee amendment allows DHS to implement five program changes assumed in the proposed 2009-11 legislatively adopted budget.

- It allows DHS to use prior authorization to enforce its preferred drug list for non-mental health pharmaceuticals for clients who are not enrolled in managed care. Mental health drugs (all currently paid for under fee-for-service reimbursement) may be placed on a preferred drug list, but compliance by prescribers is voluntary (i.e., prior authorization is not allowed). Certain prescriptions for the treatment of seizures, cancer, HIV or AIDS, as well as immunosuppressant medications, can be refilled without prior authorization. DHS must report to the 76th Legislative Assembly on the pharmaceutical management changes allowed by this bill. This portion of the measure sunsets on January 2, 2014.
- The amendment permits DHS to make reductions to the Oregon Health Plan if insufficient resources exist, and those reductions are made in a Legislatively Adopted or Approved Budget.
- The amendment allows DHS to limit the administrative and property expense components of the nursing facility allowable costs that are reimbursed in accordance with section 24, chapter 736, Oregon Laws 2003, as approved in the legislatively adopted budget. This part of the measure sunsets on June 30, 2011.
- The amendment reduces the Lottery Funds allocation from the Administrative Services Economic Development fund to the Problem Gambling Treatment fund under ORS 461.549 by \$2,120,912 for the 2009-11 biennium.
- Finally, the committee amendment allows DHS to implement reductions for the 2009-11 biennium in the Temporary Assistance for Needy Families (TANF) program within the Children, Adults and Families (CAF) program. These reductions are permitted to include: denying TANF benefits where a parent is unemployed for reasons which would disqualify the parent from receiving unemployment insurance; reducing post-TANT cash payments and certain employment related day care subsidies; establishing an income eligibility limit equal to 185% of the federal poverty

- level for aid to a dependent child residing with a caretaker relative who is not the child's parent; restricting access to the JOBS program; denying employment related day care assistance to a parent who is self-employed, or, effective
- July 1, 2010, restricting employment related day care assistance to only families that have received TANF cash assistance in the 24-month period prior to the date of application for employment-related day care assistance.

BACKGROUND: When program reductions are made to DHS in order to deal with budgetary constraints, statutory changes are often necessary in order to implement those reductions.