

**75<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE: SB 5537-A**

**JOINT COMMITTEE ON WAYS AND MEANS**

**Carrier – House: Rep. Kotek  
Carrier – Senate: Sen. Bates**

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**Action:** Do Pass as Amended and Be Printed A-Engrossed

**Vote:** 17 – 3 – 2

- House – Yeas: Buckley, D. Edwards, Galizio, Jenson, Komp, Kotek, Nathanson, Shields, G. Smith  
– Nays: Garrard, Gilman, Richardson  
– Exc:
- Senate – Yeas: Bates, Carter, Johnson, Monroe, Nelson, Verger, Walker, Winters  
– Nays: Girod, Whitsett  
– Exc:

**Prepared By:** Blake Johnson, Department of Administrative Services

**Reviewed By:** John Britton, Legislative Fiscal Office

**Meeting Date:** June 9, 2009

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**Agency**

Office of Private Health Partnerships

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**Biennium**

2009-11

## **Budget Summary\***

	2007-09 Legislatively Approved Budget (1)		2009-11 Essential Budget Level		2009-11 Committee Recommendation		Committee Change from 2007-09 Leg. Approved	
							<b>\$\$ Change</b>	<b>% Change</b>
General Fund	\$	25,134,324	\$	26,326,825	\$	21,481,705	\$ -3,652,619	-14.5%
Other Funds	\$	1,628,875	\$	1,693,251	\$	647,003	\$ -981,872	-60.3%
Other Funds-Premium Tax	\$	0	\$	0	\$	22,600,000	\$ 22,600,000	NA
Other Funds-Federal	\$	55,755,254	\$	58,230,013	\$	99,954,616	\$ 44,199,362	79.3%
Total	\$	82,518,453	\$	86,250,089	\$	144,683,324	\$ 62,164,871	75.3%

## **Position Summary**

Authorized Positions	53	53	82	29
Full-time Equivalent (FTE) positions	52.42	52.50	76.08	23.66

(1) Includes adjustments through the December 2008 meeting of the Emergency Board

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

The Office of Private Health Partnerships (OPHP) is funded with a combination of General Fund and federal Medicaid and Children's Health Insurance Program (CHIP) dollars. The agency uses most of its General Fund as match for federal Medicaid and CHIP funds. These federal dollars are transferred from the Department of Human Services and are included in the OPHP budget as Other Funds. The Subcommittee decreased the OPHP's General Fund revenue by \$4,845,120 and increased total Other Funds revenue by \$63,278,355 from the essential budget level. The Other Funds increase is the result of eliminating \$11,778,171 of empty limitation, adding \$22,600,000 of premium tax (proposed in HB 2116), \$467,000 of Other miscellaneous funds, \$60,010,798 of associated Medicaid match, and eliminating \$8,021,272 of federal Medicaid match dollars associated with the General Fund reductions.

## **Summary of Human Services Subcommittee Action**

OPHP was created by the Legislature in 1987 (then named the Insurance Pool Governing Board) as a private insurance component of the Oregon Health Plan (OHP). The agency administers the Family Health Insurance Assistance Program (FHIAP) which provides health insurance premium subsidies to low-income families and individuals. OPHP's Information, Education and Outreach program provides marketing, outreach, and information on health insurance options to small businesses, individuals, private insurance agents, and local communities.

The Subcommittee approved a budget of \$21,481,705 General Fund, \$647,003 Other Funds, \$22,600,000 Other Funds-Premium Tax, \$99,954,616 Other Funds-Federal (\$144,683,324 Total Funds) and 82 positions (76.08 FTE). This represents a 67.8 percent increase from the

essential budget level and a 75.3 percent increase from the 2007-09 Legislatively Approved Budget (LAB). The significant increase is driven by the addition of the Health Care for All Oregon Children program established in HB 2116.

### Information, Education and Outreach

The Information, Education and Outreach program serves as a central source for employers and individuals concerning information about health care resources and health insurance options. The program trains insurance agents with information about individual and small group health insurance, operates a referral program that connects individuals and small employers with local health insurance agents, and engages in community outreach to publicize services.

The Subcommittee approved Package 090 Analyst Adjustments, which reduces the Information, Education and Outreach budget by \$52,594 General Fund and \$13,248 Other Funds.

### Family Health Insurance Assistance Program (FHIAP)

The FHIAP was established to provide direct health care insurance subsidies to people with incomes below 185 percent of the federal poverty level. In addition, to be eligible for subsidies, a person must have been uninsured for six months. People transitioning from Medicaid coverage are exempted from the six month uninsured requirement. If a person's employer contributes to a group plan, the employees must participate in that plan to participate in FHIAP. OHP applicants who are eligible for their employer's group plan are automatically referred to FHIAP. The program is not an entitlement, and enrollment is on a first-come, first-served basis.

The Subcommittee made the following adjustments to the FHIAP budget:

Approved Package 070 that removed \$1,500,000 Other Funds and \$10,278,171 Other Funds-Federal expenditure limitation that is not supported with revenue.

Approved Package 090 that:

- Removed \$4,811 General Fund and \$4,811 Other Funds-Federal expenditure limitation for changes in Flexible Benefits and PERS adjustments.
- Included reductions of \$4,787,715 General Fund, \$8,003,213 Other Funds-Federal and 10 positions (10.00 FTE) in subsidy payments and administration expenses.
- Added funding for the Kids Connect Program, the FHIAP portion of the Health Care for All Oregon Children program established in HB 2116 by adding \$22,600,000 Other Funds-Premium Tax expenditure limitation, increasing Other Funds and Other Funds-Federal expenditure limitations by \$467,000 and \$60,010,798 respectively, and adding 39 positions (33.58 FTE). The Subcommittee directed OPHP to use this revenue first, to provide insurance premium subsidies for children in the Kids Connect program; second, any remaining funds may be used for FHIAP subsidies for adults.

Total adjustments in Package 090 to the FHIAP essential budget level are decreases of \$4,792,526 General Fund and \$1,033,000 Other Funds, increases of \$22,600,000 Other Funds-Premium Tax and \$41,724,603 Other Funds-Federal, and an addition of 29 positions (23.58 FTE).

### **Summary of Performance Measure Action**

See attached Legislatively Adopted 2009-11 Key Performance Measures form. The Subcommittee approved most of the LFO recommendations: it agreed to delete two old measures (number of stakeholders trained and the number of FHIAP enrollees) and to add a new measure on satisfaction with IEO training. However, the Subcommittee did not approve another proposed new measure for access to care: the percentage of FHIAP enrollees seeing a provider within the last six months for routine medical care. Instead, the Subcommittee directed OPHP to work with appropriate stakeholders on this measure for adult care. The Subcommittee also directed OPHP to work with DAS, LFO, the Health Services Commission, and appropriate stakeholders during the interim to establish measures that are indicative of performance related to the Health Care for All Oregon Children program. The agency should report to the Joint Committee on Ways and Means or the Emergency Board by June 30, 2010 on these new measures.