

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 3650-B

**Carriers – House: Rep. Freeman
Rep. Kotek**

Carrier – Senate: Sen. Bates

JOINT COMMITTEE ON WAYS AND MEANS

Action: Do Pass the A-Engrossed Measure as Amended and be Printed B-Engrossed

Vote: 21 – 4 – 0

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Whisnant
– Nays: Thatcher
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Johnson, Monroe, Nelson, Verger, Winters
– Nays: Girod, Thomsen, Whitsett
– Exc:

Prepared By: Kelly Freels, Department of Administrative Services

Reviewed By: Linda Ames, Legislative Fiscal Office

Meeting Date: June 24, 2011

Agency

Oregon Health Authority
Department of Human Services

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LFO Analysis Page

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Biennium

2011-13

Budget Summary*

	2009-11	2011-13	2011-13	2011-13	Committee Change from	
	Legislatively Approved Budget	Current Service Level	Governor's Budget	Committee Recommendation	\$ Change	% Change
<u>Oregon Health Authority</u>						
General Fund				\$ 147,500	\$ 147,500	
Federal Funds				147,500	147,500	
				<u>\$ 295,000</u>	<u>\$ 295,000</u>	
<u>Department of Human Services</u>						
General Fund				\$ 960,103	\$ 960,103	

Position Summary

Department of Human Services

Authorized Positions				2	2	
Full-time Equivalent (FTE) Positions				1.34	1.34	

Summary of Revenue Changes

House Bill 3650 includes certification fee revenue of \$10,500 in the Department of Human Services.

Summary of Capital Construction Subcommittee Action

House Bill 3650-B establishes the Oregon Integrated and Coordinated Health Care Delivery System to replace prepaid managed care systems for recipients of medical assistance, including those who are dually eligible for medical assistance and Medicare. The bill specifies criteria for coordinated care organizations, and directs the Oregon Health Authority (OHA) to adopt by rule the criteria for coordinated care organizations that are managed within fixed global budgets, and accountable for integrating physical, mental and oral health care. The bill requires OHA to develop coordinated care organization qualification criteria, a global budgeting process, a contract dispute process, and a proposal for financial reporting to be presented to the Legislative Assembly no later than February 1, 2012.

The bill directs OHA to conduct a study and develop recommendations for legislative and administrative remedies that will contain health care costs by reducing costs attributed to defensive medicine and the overutilization of health services and procedures, while protecting access to

health care services for those in need and protecting their access to seek redress through the judicial system for harms caused by medical malpractice.

The Joint Committee on Ways and Means Capital Construction Subcommittee approved \$147,500 General Fund and \$147,500 federal funds to OHA for costs to contract with health care consultants to collect and analyze data regarding the cost of defensive medicine and over utilization within the Oregon health care system, as well as legal consultants to assist in the development of policy.

The bill requires the Home Care Commission within the Department of Human Services (DHS) to work with culturally diverse, community-based organizations to train and certify community health workers and personal health navigators to work as part of a multidisciplinary team under the direction of a licensed or certified health care professional. To comply with this provision, DHS anticipates developing and launching a Community Health Worker/Personal Health Navigator Training and Certification Program.

The Subcommittee approved \$960,103 General Fund and two positions (1.34 full-time equivalents) for DHS program development and operating costs. Approved positions include one limited duration Operations and Policy Analyst to oversee the implementation of the program and one permanent Office Specialist to manage the logistics of training and certification.

The OHA budget that has been approved by Ways and Means assumes savings in Medical Assistance Programs of \$239 million General Fund in the second year of the 2011-13 biennium as a result of transformation of the health care system. The potential cost savings generated by the policy changes in this bill are expected to constitute a portion of those anticipated budget savings.

Summary of Performance Measure Action

None

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 3650-B

Oregon Health Authority
 Department of Human Services
 Kelly Freels -- 503-378-3119

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
Oregon Health Authority									
Oregon Health Policy and Research									
Professional Services	\$ 147,500	\$ 0	\$ 0	\$ 0	\$ 147,500	\$ 0	\$ 295,000	0	0.00
Department of Human Services									
Seniors and People with Disabilities									
Personal Services	\$ 173,303	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 173,303	2	1.34
Services and Supplies									
Professional Services	\$ 595,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 595,000	0	0.00
Attorney General	\$ 40,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,000	0	0.00
Other Services and Supplies	\$ 151,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 151,800	0	0.00
TOTAL ADJUSTMENTS	\$ 1,107,603	\$ 0	\$ 0	\$ 0	\$ 147,500	\$ 0	\$ 1,255,103	2	1.34
SUBCOMMITTEE RECOMMENDATION *	\$ 1,107,603	\$ 0	\$ 0	\$ 0	\$ 147,500	\$ 0	\$ 1,255,103	2	1.34

*Excludes Capital Construction Expenditures