

OH/MEDICAL ASSISTANCE PROGRAMS

Medical Assistance Programs (MAP) is the state Medicaid agency, which delivers services to over 660,000 people. The program’s mission is to provide a system of comprehensive health services to qualifying low-income Oregonians and their families to improve their health status and promote independence. MAP’s budget includes two components: the Oregon Health Plan (OHP), which includes Medicaid, Children’s Health Insurance Program (CHIP), and Healthy Kids; and certain non-OHP programs.

MEDICAL ASSISTANCE PROGRAMS	2009-11 Actuals	2011-13 Leg. Approved	2013-15 Current Service Level	2013-15 Governor's Budget	2013-15 Co-Chairs' Budget (1.0)	% Change 2013-15 CSL to 2013-15 GBB
General Fund	710,837,311	869,525,687	1,695,593,933	1,145,545,044		-32.4%
Other Funds	985,711,211	1,900,947,628	683,803,307	1,887,671,876		176.1%
Federal Funds	3,786,426,126	4,087,351,900	5,897,825,591	7,215,421,224		22.3%
TOTAL FUNDS	\$5,482,974,648	\$6,857,825,215	\$8,277,222,831	\$10,248,638,144		23.8%
Positions	252	449	499	495		-0.8%
FTE	231.38	428.96	490.73	486.85		-0.8%

Major Revenues	Budget Environment	Comparison by Fund Type																									
<ul style="list-style-type: none"> • Most General Fund and Other Funds is used as match to receive Federal Funds. Current match rate is about 37% state funds and 63% Medicaid federal funds, on average. • In 2011-13 Federal Funds support about 60% of MAP expenditures. This will increase in 2013-15 to about 70% with the addition of the federal Designated State Health Programs (DSHP) revenue and the federally funded health plan expansion in 2014. • Other Funds include significant amounts of hospital tax revenues, as well as tobacco taxes, tobacco settlement funds, third party recoveries, and pharmaceutical rebates. 	<ul style="list-style-type: none"> • Continued growth in caseload. • Health care transformation, including transition to Coordinated Care Organizations (CCOs). • January 2014 expansion of Medicaid under Affordable Care Act. • Federal funding and policy constraints. • Slow economic recovery. • Provider and community partner infrastructure and capacity. 	<div style="text-align: center;"> <p>MEDICAL ASSISTANCE PROGRAMS</p> <table border="1" style="display: none;"> <caption>Medical Assistance Programs Revenue (Millions of Dollars)</caption> <thead> <tr> <th>Year</th> <th>General Fund/Lottery</th> <th>Other Funds</th> <th>Federal Funds</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2009-11</td> <td>\$711</td> <td>\$986</td> <td>\$3,786</td> <td>\$3,786</td> </tr> <tr> <td>2011-13</td> <td>\$870</td> <td>\$1,901</td> <td>\$4,087</td> <td>\$4,087</td> </tr> <tr> <td>2013-15 CSL</td> <td>\$1,696</td> <td>\$684</td> <td>\$5,898</td> <td>\$5,898</td> </tr> <tr> <td>2013-15 GB</td> <td>\$1,146</td> <td>\$1,888</td> <td>\$7,215</td> <td>\$7,215</td> </tr> </tbody> </table> </div>	Year	General Fund/Lottery	Other Funds	Federal Funds	Total	2009-11	\$711	\$986	\$3,786	\$3,786	2011-13	\$870	\$1,901	\$4,087	\$4,087	2013-15 CSL	\$1,696	\$684	\$5,898	\$5,898	2013-15 GB	\$1,146	\$1,888	\$7,215	\$7,215
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MAJOR CHALLENGES AND DECISION POINTS

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| <ol style="list-style-type: none"> 1. Current provider taxes, including hospital tax and health insurance premium assessment (insurer tax), sunset September 30, 2013. This results in the loss of about \$600 million of hospital tax in 2013-15 and the loss of over \$100 million of insurer tax, compared to the resources available in 2011-13. The Governor's budget restores the hospital tax, but not the insurer tax. In the Governor's budget, an additional 1% is also added to the basic restoration of the hospital tax to fund a Quality Performance Pool to help hospitals improve efficiency and implement transformative programs. 2. Under the Affordable Care Act, Oregon has the option to expand health coverage under Medicaid to all persons under 138% of Federal Poverty Level, effective January 2014. An estimated 225,000 adults would be added to the program during the 2013-15 biennium, at a cost of about \$1.9 billion. This expansion would be entirely federally funded through 2016 (with the exception of administrative costs). The funding of the current Standard population after the expansion of Medicaid is still uncertain. The current service level budget assumes that 50,000 of the existing Standard population will continue to be funded at the old match rate. The Governor's budget assumes that the entire population will be funded at 100% Federal Funds, saving the state about \$185 million General Fund. 3. In July 2012 CMS approved Oregon's Medicaid waiver allowing implementation of health system transformation, including CCO's. CMS agreed to invest \$1.9 billion in Oregon's system over five years, through a program called the Designated State Health Programs (DSHP). Resources expected during the 2013-15 biennium total \$910 million. Oregon has agreed to reduce the inflation of Medicaid per member health care costs by two percentage points within the 2013-15 biennium. Consistent with this agreement, the Governor's budget includes inflationary growth for this program at 4.4% in the first year and 3.4% in the second year. | <ol style="list-style-type: none"> 4. Increases in mandated caseload in Medical Assistance Programs will cost about \$55 million state funds in 2013-15, based on the Fall 2012 forecast. 5. The Governor's budget moves \$68 million General Fund and \$183 million total funds from the Addictions and Mental Health program to MAP. This is the funding for mental health and addiction services that receive Medicaid match funding, and will be moved to CCOs. 6. The Governor's budget also moves certain health-related elements of Long Term Care from the Department of Human Services (DHS) to MAP for a total of \$126 million General Fund and \$344 total funds increase in the MAP budget (and corresponding decrease in the DHS budget). Most of these funds pay for the Medicare premiums for low-income seniors who are also eligible for Medicaid. 7. The General Fund increases \$276 million from the 2011-13 budget to the 2013-15 Governor's budget. Most of this is associated with the two programs transferring into MAP (items 5 and 6). Of the remaining General Fund increase, about \$50 million helps pay for caseload/inflation growth, and \$30 million funds the Health System Transformation Pool. 8. This funding for the Health System Transformation Pool is a strategic investment to support innovative partnerships, especially among CCOs, the community mental health system, long term care, and public health. 9. The Governor's budget includes \$120 million from the Tobacco Master Settlement Agreement resources. This is \$90 million more than in the 2011-13 biennium. 10. The Governor's budget continues the physical health Preferred Drug List (PDL), which is set to sunset, and implements a mental health PDL, for a total savings of \$4.9 million General Fund. |
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