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# MEMORANDUM

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**To:** *Human Services Subcommittee*

**From:** *Linda Ames, Legislative Fiscal Office*  
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**Date:** June 4, 2013

**Subject:** *HB 5030 – Oregon Health Authority – Office of Private Health Partnerships*  
*Work Session Recommendations*

## **Oregon Health Authority – Office of Private Health Partnerships Totals**

	<b>2009-11 Actual</b>	<b>2011-13 Legislatively Approved</b>	<b>2013-15 Current Service Level</b>	<b>2013-15 LFO Recommended</b>
General Fund	18,932,742	7,002,275	38,183,853	1,744,848
Other Funds	49,117,234	73,049,970	52,061,803	22,703,500
Other Funds NL	343,770,156	411,670,261	411,670,261	236,417,565
Federal Funds	10,184,071	313,391,459	234,587,910	116,408,995
<b>Total Funds</b>	<b>\$422,004,203</b>	<b>\$805,113,965</b>	<b>\$736,503,827</b>	<b>\$377,274,908</b>
Positions	52	43	61	62
FTE	51.25	42.36	59.75	15.67

Attached are the recommendations from the Legislative Fiscal Office for the Oregon Health Authority – Office of Private Health Partnerships. The LFO recommended budget is less than the 2011-13 Legislatively Approved Budget by 75% General Fund and 43% total funds. It contains the following:

- Standard adjustments for PERS policy changes;
- Transfers all Healthy Kids Connect clients to the Oregon Health Plan by the end of December 2013 (HB 2091);
- Eliminates the Family Health Insurance Assistance Program (FHIAP) in January 2014. These clients will move either to the Oregon Health Plan or CoverOregon, the Oregon health insurance exchange (HB 2240);
- Eliminates the Oregon Medical Insurance Pool (OMIP) the end of December 2013. Under the Affordable Care Act, these individuals can no longer be denied health coverage because of the pre-existing medical conditions (HB 3458);
- Establishes the new Oregon Reinsurance Program for 2014 through 2016 (HB 3458).

**Adjustments to Current Service Level:**

See attached "HB 5030 Work Session" spreadsheet dated 6/3/13.

LFO recommends the Subcommittee approve a 2013-15 OHA Office of Private Health Partnerships preliminary budget of:

\$ 1,744,848	General Fund
\$ 22,703,500	Other Funds
\$ 116,408,995	Federal Funds
\$ 236,417,565	Non-limited Other Funds

62 Positions  
15.67 FTE

***Accept LFO Recommendation***

*Move LFO preliminary budget recommendations.*

**Performance Measures**

All agency performance measures will be presented for review and approval as part of the final action on the OHA budget.

**Recommended Changes to Appropriation Bill:**

The Office of Private Health Partnerships budget is part of HB 5030, which is the budget bill for the entire Oregon Health Authority. The recommended amendments to HB 5030 will be presented after work sessions are completed on all parts of the budget.

OREGON HEALTH AUTHORITY: OFFICE OF PRIVATE HEALTH PARTNERSHIPS  
 HB 5030 WORK SESSION

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
<b>2011-13 Legislatively Approved Budget (As of December 2012)</b>	7,002,275	-	73,049,970	313,391,459	411,670,261	-	805,113,965	43	42.36	
<b>2013-15 Current Service Level Estimate (at Governor's Budget)</b>	38,183,853	-	52,061,803	234,587,910	411,670,261	-	736,503,827	61	59.75	
<b>2013-15 Governor's Budget</b>	26,499,939	-	22,945,607	178,636,928	233,085,130	-	461,167,604	61	59.75	
<b>2013-15 LFO RECOMMENDED BUDGET</b>	1,744,848	-	22,703,500	116,408,995	236,417,565	-	377,274,908	62	15.67	

2013-15 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL

1	<b>2013-15 Current Service Level Estimate</b>	38,183,853	-	52,061,803	234,587,910	411,670,261	-	736,503,827	61	59.75	
2	<b>LFO Recommendations of Existing Packages</b>										
3	Pkg 090: Eliminate portions of FHIAP, OMIP, FMIP	(11,619,748)	-	(29,063,664)	(110,121,849)	(178,585,131)	-	(329,390,392)	-	-	As of January 2014
4	Pkg 092: PERS taxation policy	(7,137)	-	(5,843)	(10,169)	-	-	(23,149)	-	-	
5	Pkg 093: Other PERS adjustments	(57,029)	-	(46,689)	(81,255)	-	-	(184,973)	-	-	
6	Pkg 094: December 2012 EBoard actions	-	-	-	54,262,291	-	-	54,262,291	-	-	
7	<b>Subtotal recommended existing packages</b>	<b>(11,683,914)</b>	-	<b>(29,116,196)</b>	<b>(55,950,982)</b>	<b>(178,585,131)</b>	-	<b>(275,336,223)</b>	-	-	
8											
9	<b>Other Recommended Adjustments</b>										
10	Pkg 810: LFO Analyst Adjustments										
11	Transfer of HKC to OHP (HB 2091)	(22,100,723)	-	41,738	(59,684,426)	-	-	(81,743,411)	(3)	(17.81)	
12	Eliminate FHIAP; transfer clients to OHP (HB 2240)	(2,514,368)	-	(65,778)	(2,543,507)	-	-	(5,123,653)	-	(22.50)	As of January 2014
13	Eliminate OMIP; establish Reinsurance (HB 3458)	-	-	(133,067)	-	3,332,435	-	3,199,368	4	(3.02)	As of January 2014
14	Eliminate Information, Education and Outreach	(140,000)	-	(85,000)	-	-	-	(225,000)	-	(0.75)	As of January 2014
15	<b>Subtotal other LFO recommended adjustments</b>	<b>(24,755,091)</b>	-	<b>(242,107)</b>	<b>(62,227,933)</b>	<b>3,332,435</b>	-	<b>(83,892,696)</b>	<b>1</b>	<b>(44.08)</b>	
16											
17	<b>Total adjustments LFO Rec from CSL</b>	<b>(36,439,005)</b>	-	<b>(29,358,303)</b>	<b>(118,178,915)</b>	<b>(175,252,696)</b>	-	<b>(359,228,919)</b>	<b>1</b>	<b>(44.08)</b>	
18	<b>TOTAL 2013-15 LFO Recommended Budget</b>	<b>1,744,848</b>	-	<b>22,703,500</b>	<b>116,408,995</b>	<b>236,417,565</b>	-	<b>377,274,908</b>	<b>62</b>	<b>15.67</b>	
19	<b>Change from 2011-13 Approved</b>	<b>(5,257,427)</b>	-	<b>(50,346,470)</b>	<b>(196,982,464)</b>	<b>(175,252,696)</b>	-	<b>(427,839,057)</b>	<b>19</b>	<b>(26.69)</b>	
20	<b>Change from 2013-15 CSL Estimate</b>	<b>(36,439,005)</b>	-	<b>(29,358,303)</b>	<b>(118,178,915)</b>	<b>(175,252,696)</b>	-	<b>(359,228,919)</b>	<b>1</b>	<b>(44.08)</b>	
21	<b>Change from 2013-15 Governor's Budget</b>	<b>(24,755,091)</b>	-	<b>(242,107)</b>	<b>(62,227,933)</b>	<b>3,332,435</b>	-	<b>(83,892,696)</b>	<b>1</b>	<b>(44.08)</b>	
22	<b>% Change from 2011-13 Approved</b>	<b>-75.1%</b>		<b>-68.9%</b>	<b>-62.9%</b>	<b>-42.6%</b>		<b>-53.1%</b>	<b>44.2%</b>	<b>-63.0%</b>	
23	<b>% Change from 2013-15 CSL Estimate</b>	<b>-95.4%</b>		<b>-56.4%</b>	<b>-50.4%</b>	<b>-42.6%</b>		<b>-48.8%</b>	<b>1.6%</b>	<b>-73.8%</b>	
24	<b>% Change from 2013-15 Governor's Budget</b>	<b>-93.4%</b>		<b>-1.1%</b>	<b>-34.8%</b>	<b>1.4%</b>		<b>-18.2%</b>	<b>1.6%</b>	<b>-73.8%</b>	