
MEMORANDUM

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To: *Human Services Subcommittee*

From: *Linda Ames, Legislative Fiscal Office
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Date: June 11, 2013

Subject: *HB 5030 – Oregon Health Authority – Central, Shared Services,
State Assessments and Enterprise-wide Costs
Work Session Recommendations*

Oregon Health Authority – Central, Shared Services, State Assessments and Enterprise-wide Costs (Program Totals)

	2009-11 Actual	2011-13 Legislatively Approved	2013-15 Current Service Level	2013-15 LFO Recommended
General Fund	88,560,851	126,009,372	167,031,701	162,679,903
Other Funds	28,251,397	159,946,414	158,935,129	165,611,512
Federal Funds	113,562,947	221,696,288	171,537,819	167,262,334
Federal Funds NL	0	4,374,411	4,374,411	4,151,016
Total Funds	\$230,375,195	\$512,026,485	\$501,879,060	\$499,704,765
Positions	565	532	595	657
FTE	537.24	482.66	581.98	637.76

Attached are the recommendations from the Legislative Fiscal Office for the Oregon Health Authority – Central Services, Shared Services, and State Assessments and Enterprise-wide Costs. The LFO recommended total funds budget is 2.4% less than the 2011-13 Legislatively Approved Budget. This is primarily related to phasing out the expenditure limitation for the HIX IT project. It contains the following:

- Debt service of \$70.9 million General Fund and \$81.5 million total funds is included in this budget. This is related to the State Hospital Replacement Project.
- Budget changes related to the 2012 Emergency Board actions.
- Adjustments to true up funding for cost allocation, based on actual experience during the 2011-13 biennium. Additional General Fund of \$2.3 million is included, with reductions in Other and Federal Funds. This is consistent with adjustments included in the May 2013 rebalance.
- Includes funding for a number of specific investments. Funding of \$0.7 million General Fund (\$3.7 million total funds) and 12 positions will be used to improve the agency's computer and network infrastructure; \$2.1 million General Fund is included to support health care transformation; and \$1 million General Fund will

support the expanding need for information technology planning and policy, and to continue the development of CareAccord, the secure mechanism to exchange health information.

- Eliminates the remaining expenditure limitation and positions related to the HIX IT project, since that work has now moved over to CoverOregon. Adds limitation and positions for on-going IT needs, including Modernization and OR-KIDS.

Adjustments to Current Service Level:

See attached "HB 5030 Work Session" spreadsheet dated 6/7/13.

LFO recommends the Subcommittee approve a 2013-15 OHA Central Services, Shared Services, State Assessments and Enterprise-wide Costs preliminary budget of:

\$ 162,679,903	General Fund
\$ 165,611,512	Other Funds
\$ 167,262,334	Federal Funds
\$ 4,151,016	Non-limited Federal Funds

657 Positions
637.76 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 Central Services, Shared Services, State Assessments and Enterprise-wide Costs 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: CENTRAL SERVICES, SHARED SERVICES, STATE ASSESSMENTS AND ENTERPRISE-WIDE COSTS (including Debt Service)
HB 5030 WORK SESSION

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
2011-13 Legislatively Approved Budget (As of December 2012)	126,009,372	-	159,946,414	221,696,288	-	4,374,411	512,026,485	532	482.66	
2013-15 Current Service Level Estimate (at Governor's Budget)	167,031,701	-	158,935,129	171,537,819	-	4,374,411	501,879,060	595	581.98	
2013-15 Governor's Budget	159,220,168	-	154,701,225	198,093,761	-	4,374,411	516,389,565	626	604.11	
2013-15 LFO RECOMMENDED BUDGET	162,679,903	-	165,611,512	167,262,334	-	4,151,016	499,704,765	657	637.76	Includes \$70.9m GF debt service

2013-15 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL

1	2013-15 Current Service Level Estimate	167,031,701	-	158,935,129	171,537,819	-	4,374,411	501,879,060	595	581.98	
2	LFO Recommendations of Existing Packages										
3	Pkg 081: May 2012 EBoard actions	-	-	(454,553)	-	-	(454,553)	(2)	(2.00)		
4	Pkg 090: Analyst adjustments										
5	Administrative reductions - hold vacancies/S&S	(2,060,415)	-	(231,075)	(1,540,984)	-	(3,832,474)	-	-		
6	Funding for Patient Safety Commission	1,600,000	-	-	-	-	1,600,000	-	-		
7	Pkg 091: Statewide administrative savings	(2,090,200)	-	(5,658,403)	(1,701,861)	-	(9,450,464)	-	-		Have been reallocated
8	Pkg 092: PERS taxation policy	(35,935)	-	(258,799)	(33,965)	-	(328,699)	-	-		
9	Pkg 093: Other PERS adjustments	(287,135)	-	(2,067,925)	(271,400)	-	(2,626,460)	-	-		
10	Pkg 094: December 2012 EBoard	(8,570,075)	-	(1,028,000)	7,306,676	-	(2,291,399)	30	29.00		Include SIM grant; MMIS move
11	Pkg 401: PC & Network Infrastructure Investments	666,667	-	2,359,143	666,667	-	3,692,477	12	10.56		
12	Pkg 402: Health Systems Transformation	2,115,946	-	(311,665)	1,662,916	-	3,467,197	2	2.00		GB was \$2.6 million GF
13	Pkg 403: OSH Replacement Project Next Phase	78,345	-	7,547,022	-	-	7,625,367	3	0.80		Includes \$6.4 m OF debt service
14	Pkg 406: Health Information Technology	1,004,489	-	-	999,683	-	2,004,172	11	9.42		
15	Subtotal recommended existing packages	(7,578,313)	-	(104,255)	7,087,732	-	(594,836)	56	49.78		
16											
17	Other Recommended Adjustments										
18	Pkg 810: LFO Analyst Adjustments										
19	True-up cost allocation/rent	2,302,737	-	(346,862)	(1,624,029)	-	331,846	-	-		Consistent with May 2013 rebalance
20	Eliminate remaining limitation/positions for HIX IT	-	-	(9,920,600)	(9,920,600)	-	(19,841,200)	(48)	(48.00)		Moved to CoverOregon
21	Add limitation/positions for on-going IT needs	-	-	16,739,148	-	-	16,739,148	52	52.00		Modernization, ORKIDS, and on-going
22	Update to debt service (including sequestration)	(80,565)	-	-	-	(223,395)	(303,960)	-	-		
23	Technical adjustments and transfers	1,004,343	-	308,952	181,412	-	1,494,707	2	2		
24	Subtotal other LFO recommended adjustments	3,226,515	-	6,780,638	(11,363,217)	-	(223,395)	6	6.00		
25	Total adjustments LFO Rec from CSL	(4,351,798)	-	6,676,383	(4,275,485)	-	(223,395)	62	55.78		
26	TOTAL 2013-15 LFO Recommended Budget	162,679,903	-	165,611,512	167,262,334	-	4,151,016	657	637.76		

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments	
27	Change from 2011-13 Approved	36,670,531	-	5,665,098	(54,433,954)	-	(223,395)	(12,321,720)	125	155.10	
28	Change from 2013-15 CSL Estimate	(4,351,798)	-	6,676,383	(4,275,485)	-	(223,395)	(2,174,295)	62	55.78	
29	Change from 2013-15 Governor's Budget	3,459,735	-	10,910,287	(30,831,427)	-	(223,395)	(16,684,800)	31	33.65	
30	% Change from 2011-13 Approved	29.1%		3.5%	-24.6%		-2.4%	23.5%	32.1%		
31	% Change from 2013-15 CSL Estimate	-2.6%		4.2%	-2.5%		-0.4%	10.4%	9.6%		
32	% Change from 2013-15 Governor's Budget	2.2%		7.1%	-15.6%		-3.2%	5.0%	5.6%		