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February 26, 2013

TO: The Honorable Laurie Monnes Anderson, Chair
Senate Committee on Health Care and Human Services

FROM: Suzanne Hoffman
Chief Operating Officer
Oregon Health Authority

Jim Scherzinger
Chief Operating Officer
Oregon Department of Human Services

SUBJECT: HB 2089-1 – Oregon Health Authority Housekeeping

Chair Monnes Anderson and members of the committee, my name is Suzanne Hoffman, Chief Operating Officer for the Oregon Health Authority. I am here with Jim Scherzinger, Chief Operating Officer for the Department of Human Services, to testify in support of House Bill 2089 with the -1 amendments.

In 2009, House Bill 2009, established the Oregon Health Authority (OHA) separate from the Department of Human Services (DHS). This legislation consolidated Addictions and Mental Health, Public Health, the Division of Medical Assistance Programs, the Office of Private Health Partnerships, the Office for Health Policy and Research, the Public Employees Benefit Board (PEBB) and the Oregon Educators Benefit Board (OEBB) within OHA. In 2011, House Bill 2100 made additional statutory changes to reflect the creation of OHA. House Bill 2089 would make additional statutory clarifications relating to the creation of the OHA and its relationship with the DHS, further streamlining the functions of the two agencies.

First, House Bill 2089 allows for OHA or DHS to be represented at contested case hearings by an officer or employee of either department. This change will allow for workload on contested case hearings to be adjusted and streamlined between the two agencies.

House Bill 2089 also clarifies that when a small estate affidavit must be filed, it can be filed with either DHS or OHA. This change ensures that there are not duplicative filing requirements between agencies.

The bill also clarifies that both DHS and OHA determine eligibility for medical assistance. Currently, DHS makes eligibility determinations through its local field offices and OHA makes eligibility determinations through its central processing center.

With the establishment of the Oregon Health Insurance Exchange Corporation (Cover Oregon) and the changes coming from the federal Affordable Care Act, House Bill 2089 also allows DHS and OHA to share information received in an application for medical assistance with Cover Oregon to assist in verifying eligibility and establishing potential tax credit amounts.

House Bill 2089 also clarifies language that OHA, as the designated state Medicaid agency, cannot purchase prescription drugs for Medicaid beneficiaries through the Oregon Prescription Drug Program (OPDP). Since the Oregon Health Authority administers PEBB and OEGB in addition to the state Medicaid program, the bill clarifies the current restriction that OHA cannot purchase drugs through OPDP for the Medicaid program, but can for PEBB and OEGB. House Bill 2089 also clarifies that OHA, not DHS, is responsible for seeking supplemental rebates for prescription drugs paid for by the Oregon Health Plan, the state medical assistance program.

House Bill 2089 also clarifies the current practice that OHA and DHS collaborate on staffing a statewide interdisciplinary team to review child fatality cases. Currently, the Public Health Division works with DHS to staff the team.

The original version of House Bill 2089 also allowed for DHS to operate a developmental disabilities program in any county where that county declined to operate the program. The -1 amendment you have before you removes this section because that clarification was already made in Senate Bill 22, passed out of this Committee on February 5th.

In 2011, Senate Bill 939 moved the Board of Examiners of Licensed Dietitians into the Oregon Health Licensing Agency. House Bill 2089 amends the statute regulating healthcare workforce reporting to reflect this change.

Finally, House Bill 2089 continues the authority for the directors of DHS and OHA to delegate duties, functions or powers as deemed necessary for the efficient and effective operation of either agency. This provision is set to sunset on January 2, 2014 and its continuation is necessary in order to appropriately and properly serve the clients of both agencies.

Thank you for your attention, and we would be happy to answer any questions you might have.