
MEMORANDUM

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To: Human Services Subcommittee

From: Linda Ames, Legislative Fiscal Office
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Date: June 15, 2015

Subject: SB 5526: Oregon Health Authority – Addictions and Mental Health
Work Session Recommendations

Oregon Health Authority – Addictions and Mental Health

	2011-13 Actual	2013-15 Legislatively Approved	2015-17 Current Service Level	2015-17 LFO Recommended
General Fund	669,455,397	687,076,413	783,436,863	783,464,530
Lottery Funds	10,098,261	10,592,532	10,923,154	11,292,564
Other Funds	101,413,056	63,724,126	65,399,843	107,408,460
Federal Funds	296,107,878	272,972,802	255,017,555	271,889,815
Total Funds	\$1,077,074,592	\$1,034,365,873	\$1,114,777,415	\$1,174,055,369
Positions	2,329	2,506	2,567	2,392
FTE	2,319.87	2,236.55	2,565.56	2,384.47

Attached are the recommendations from the Legislative Fiscal Office for the Oregon Health Authority – Addictions and Mental Health. The LFO recommended total funds budget is 13.5% higher than the 2013-15 legislatively approved budget, primarily because of the roll-up costs of past investments, as well as the new investments included in the recommendation for community mental health and addictions services. The recommended budget contains the following:

- An increase of about \$44 million state resources to fund the roll-up of all on-going program investments made in community mental health programs in 2013-15, and caseload increases and inflation included in the current service level.
- Adds an additional \$8.7 million for caseload growth associated with the Spring 2015 forecast.
- Invests \$22 million in community mental health treatment services. This includes approximately \$7 million for crisis services, including mobile crisis services; \$6.5 million for jail diversion; \$7 million for supported housing (rental assistance) and peer-delivered services; and \$1.5 million for the Oregon Psychiatric Access Line for Kids (OPAL-K).

- Invests \$6 million in addictions treatment and recovery support, including increased capacity for detoxification/withdrawal management, sobering facilities, and peer delivered services.
- Includes \$4.1 million to fund Aid and Assist restoration services in the community, in order to reduce the number of patients sent to the Oregon State Hospital for that purpose.
- Opens four of the six wards at Junction City, increasing bed capacity by 38 over the capacity during the last year. This is expected to reduce the wait list for civilly committed patients.

Adjustments to Current Service Level:

See attached “SB 5526 Work Session” spreadsheet dated 6/13/15.

LFO recommends the Subcommittee approve a 2015-17 OHA Addictions and Mental Health preliminary budget of:

\$ 783,464,530	General Fund
\$ 11,292,564	Lottery Funds
\$ 107,408,460	Other Funds
\$ 271,889,815	Federal Funds

2,392 Positions
2,384.47 FTE

Accept LFO Recommendation

Move the LFO preliminary budget recommendations to SB 5526.

Performance Measures

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

Recommended Changes to Appropriation Bill:

The Addictions and Mental Health budget is part of SB 5526, which is the budget bill for the entire Oregon Health Authority. The recommended amendments to SB 5526 will be presented after work sessions are completed on all parts of the budget.

**OREGON HEALTH AUTHORITY: ADDICTIONS AND MENTAL HEALTH
2015-17 RECOMMENDED BUDGET**

Includes Capital Improvement; not Capital Construction	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
2013-15 Legislatively Approved Budget (As of May 2015)	687,076,413	10,592,532	63,724,126	272,972,802	-	-	1,034,365,873	2,506	2,236.55	
2015-17 Current Service Level Estimate	783,436,863	10,923,154	65,399,843	255,017,555	-	-	1,114,777,415	2,567	2,565.56	
2015-17 Governor's Budget	760,708,328	10,353,121	87,847,880	276,840,698	-	-	1,135,750,027	2,398	2,396.39	
2015-17 LFO RECOMMENDED BUDGET	783,464,530	11,292,564	107,408,460	271,889,815	-	-	1,174,055,369	2,392	2,384.47	699,615 Cap Impr

2015-17 WORKING BUDGET ADJUSTMENTS DETAIL

1	2015-17 Current Service Level Estimate	783,436,863	10,923,154	65,399,843	255,017,555	-	-	1,114,777,415	2,567	2,565.56	
2	LFO Recommendations of Existing Packages										
3	Pkg 081: September 2014 EBoard actions	6,153,914				-	-	6,153,914	1	1.00	Senior mental health specialists
4	Pkg 082: December 2014 EBoard actions	23,525,083		3,270,440	23,476,483	-	-	50,272,006	-	-	State Hospital, SAPT grant
5	Pkg 090: Analyst adjustments										
6	OSH - continue closure of gero ward	(8,890,341)			(1,248,671)	-	-	(10,139,012)	(43)	(43.00)	
7	Junction City - keep 3 cottages and 2 wards closed	(30,169,124)	-	(911,281)	(860,515)	-	-	(31,940,920)	(140)	(145.92)	Open 4th ward on 10/1/15
8	OSH - Increase Medicare revenues	(4,000,000)		4,000,000	-			-			
9	Adjustment to Fall caseload pricing	(2,276,949)			(404,669)			(2,681,618)			
10	Use tobacco tax to pay for rollup	(12,200,746)		12,200,746				-			
11	Lottery forecast - May 2015		369,399					369,399			
12	Technical adjustments and transfers	(953,780)		699,615				(254,165)			
13	Pkg 401-1 Aid and Assist evaluations in community	4,056,901						4,056,901	1	0.83	
14	Pkg 401-2 Mental health certification	859,620						859,620	4	4.00	
15	Pkg 501 Measure 91 Implementation			2,277,236				2,277,236	2	2.00	
16											
17	Other Recommended Adjustments										
18	Pkg 801: LFO Analyst Adjustments										
19	Caseload forecast adjustments	8,699,328						8,699,328			Spring 2015 Forecast
20	Oregon State Hospital cost allocation	10,000,000						10,000,000			
21	FMAP match rate change	(136,825)			136,825			-			
22	TMSA in place of GF for mental health services	(16,000,000)		16,000,000				-			
23	Additional community mental health services	17,600,000		4,562,000				22,162,000			Add'l tobacco tax available
24	Additional A&D treatment services	6,000,000						6,000,000			
25	Technical adjustments and transfers	(2,313,322)		(107,658)	(4,229,502)			(6,650,482)			
26	Adjustment to CSL for Attorney General rate	73,908	11	17,519	2,309			93,747			End of Session bill will adjust
27											
28	Total Adjustments from CSL	27,667	369,410	42,008,617	16,872,260	-	-	59,277,954	(175)	(181)	
29											
30	TOTAL 2015-17 Recommended Budget	783,464,530	11,292,564	107,408,460	271,889,815	-	-	1,174,055,369	2,392	2,384.47	
31											

	Includes Capital Improvement; not Capital Construction	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
32	Change from 2013-15 Approved	96,388,117	700,032	43,684,334	(1,082,987)	-	-	139,689,496	(114)	147.92	
33	Change from 2015-17 CSL Estimate	27,667	369,410	42,008,617	16,872,260	-	-	59,277,954	(175)	(181.09)	
34	Change from 2015-17 Governor's Budget	22,756,202	939,443	19,560,580	(4,950,883)	-	-	38,305,342	(6)	(11.92)	
35											
36	% Change from 2013-15 Approved	14.0%	6.6%	68.6%	-0.4%			13.5%	-4.5%	6.6%	
37	% Change from 2015-17 CSL Estimate	0.0%	3.4%	64.2%	6.6%			5.3%	-6.8%	-7.1%	
38	% Change from 2015-17 Governor's Budget	3.0%	9.1%	22.3%	-1.8%			3.4%	-0.3%	-0.5%	