
MEMORANDUM

Legislative Fiscal Office
900 Court St. NE, Room H-178
Salem, Oregon 97301
Phone 503-986-1828
FAX 503-373-7807

To: Human Services Subcommittee

From: Linda Ames, Legislative Fiscal Office
(503) 986-1816

Date: June 16, 2015

Subject: SB 5526: Oregon Health Authority
Work Session Recommendations

Oregon Health Authority – Agency Totals

	2011-13 Actual	2013-15 Legislatively Approved	2015-17 Current Service Level	2015-17 LFO Recommended
General Fund	1,692,058,113	1,933,995,531	2,862,916,600	2,112,752,661
Lottery Funds	10,098,261	10,592,532	10,923,154	11,292,564
Other Funds	2,271,074,220	4,173,752,201	2,869,943,521	5,676,922,218
Other Funds-NL	2,910,050,130	1,904,711,565	1,859,287,088	143,500,000
Federal Funds	5,062,816,693	9,575,251,558	9,599,471,616	11,403,953,113
Federal Funds-NL	108,360,598	106,880,067	106,653,023	106,653,023
Total Funds	\$12,054,458,015	\$17,705,183,454	\$17,309,195,002	\$19,455,073,579
Positions	4,226	4,532	4,530	4,377
FTE	4,109.69	4,143.41	4,479.45	4,326.96

Attached are the recommendations from the Legislative Fiscal Office for the Oregon Health Authority. They are the aggregate of all the individual program budgets that you have already approved for OHA.

Adjustments to Current Service Level:

See attached "SB 5526 Work Session" spreadsheet dated 6/16/13.

Accept LFO Recommendation

Move the LFO recommendation to SB 5526.

Performance Measures:

See attached “Legislatively Proposed 2015-17 Key Performance Measures” form.

Accept LFO Recommendation

Move the LFO recommendation on Key Performance Measures to SB 5526.

Budget Notes:

See the attached proposed budget notes.

Accept LFO Recommendation

Move the LFO recommended budget notes to SB 5526.

Recommended Changes to Appropriation Bill:

The Legislative Fiscal Office recommends a budget of \$2,112,752,661 General Fund, \$11,292,564 Lottery Funds, \$5,676,922,218 Other Funds, \$11,403,953,113 Federal Funds, \$143,500,000 Other Funds Nonlimited, \$106,653,023 Federal Funds Nonlimited, and 4,377 positions (4,326.96 FTE) and that Senate Bill 5526 be amended accordingly.

Move to adopt the -1 amendment to SB 5526.

SB 5526 Final Subcommittee Action:

Final Motion:

Move SB 5526, as amended, to the Full Committee with a Do Pass recommendation.

**OREGON HEALTH AUTHORITY
2015-17 RECOMMENDED BUDGET**

	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)	1,933,995,531	10,592,532	4,173,752,201	9,575,251,558	1,904,711,565	106,880,067	17,705,183,454	4,532	4,143.41	
2015-17 Current Service Level Estimate	2,862,916,600	10,923,154	2,869,943,521	9,599,471,616	1,859,287,088	106,653,023	17,309,195,002	4,530	4,479.45	
2015-17 Governor's Budget	2,209,589,887	10,353,121	5,601,257,540	10,720,015,757	143,500,000	106,653,023	18,791,369,328	4,414	4,347.21	
2015-17 LFO RECOMMENDED BUDGET	2,112,752,661	11,292,564	5,676,922,218	11,403,953,113	143,500,000	106,653,023	19,455,073,579	4,377	4,326.96	
Public Health	39,953,457	-	164,612,028	253,317,665	40,000,000	102,729,051	600,612,201	721	703.04	
Addictions and Mental Health	783,464,530	11,292,564	107,408,460	271,889,815	-	-	1,174,055,369	2,392	2,384.47	
Medical Assistance Programs	1,101,730,078	-	1,890,979,987	10,692,310,560	-	-	13,685,020,625	516	507.35	
Health Policy, Private Health Partnerships, Health Licensing	18,710,336	-	10,634,459	114,885,980	103,500,000	-	247,730,775	162	156.66	
PEBB	-	-	1,782,969,295	-	-	-	1,782,969,295	22	21.50	
OEBB	-	-	1,557,630,028	-	-	-	1,557,630,028	25	25.00	
Central/Shared/Assessments	99,216,002	-	162,637,961	71,549,093	-	-	333,403,056	539	528.94	
Debt Service (Assessments)	69,678,258	-	50,000	-	-	3,923,972	73,652,230	-	-	
TOTAL 2015-17 OHA RECOMMENDED BUDGET	2,112,752,661	11,292,564	5,676,922,218	11,403,953,113	143,500,000	106,653,023	19,455,073,579	4,377	4,326.96	
Change from 2013-15 Approved	178,757,130	700,032	1,503,170,017	1,828,701,555	(1,761,211,565)	(227,044)	1,749,890,125	(155)	183.55	
Change from 2015-17 CSL Estimate	(750,163,939)	369,410	2,806,978,697	1,804,481,497	(1,715,787,088)	-	2,145,878,577	(153)	(152.49)	
Change from 2015-17 Governor's Budget	(96,837,226)	939,443	75,664,678	683,937,356	-	-	663,704,251	(37)	(20.25)	
% Change from 2013-15 Approved	9.2%	6.6%	36.0%	19.1%	-92.5%	-0.2%	9.9%	-3.4%	4.4%	
% Change from 2015-17 CSL Estimate	-26.2%	3.4%	97.8%	18.8%	-92.3%	0.0%	12.4%	-3.4%	-3.4%	
% Change from 2015-17 Governor's Budget	-4.4%	9.1%	1.4%	6.4%	0.0%	0.0%	3.5%	-0.8%	-0.5%	

Notes: Excludes Capital Construction; Capital Improvement included in AMH

Legislatively Proposed 2015-2017 Key Performance Measures

Agency: OREGON HEALTH AUTHORITY

Mission: Helping people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to quality, affordable health care.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
1 - INITIATION OF ALCOHOL AND OTHER DRUG DEPENDENCE TREATMENT - Percentage of members with a new episode of alcohol or other drug dependence who received initiation of AOD treatment within 14 days of diagnosis.		Approved KPM	31.70	38.20	40.20
2 - ENGAGEMENT OF ALCOHOL AND OTHER DRUG DEPENDENCE TREATMENT - Percentage of members with a new episode of alcohol or other drug dependence who received two or more services within 30 days of initiation visit.		Approved KPM	18.40	10.60	11.00
3 - FOLLOW-UP AFTER HOSPITALIZATION FOR MENTAL ILLNESS - Percentage of enrollees 6 years of age and older who were hospitalized for treatment of mental health disorders and who were seen on an outpatient basis or were in intermediate treatment within seven days of discharge.		Approved KPM	67.60	70.00	72.00
4 - MENTAL AND PHYSICAL HEALTH ASSESSMENTS FOR CHILDREN IN DHS CUSTODY – Percentage of children in DHS custody who receive a mental and physical health assessment within 60 days of initial custody.		Approved KPM	63.50	90.00	90.00
5 - FOLLOW-UP CARE FOR CHILDREN PRESCRIBED WITH ADHD MEDICATION (INITIATION) - Percentage of children newly prescribed attention-deficit/hyperactivity disorder (ADHD) medication who had at least three follow-up care visits within a 10-month period, one of which was within 30 days of when the first ADHD medication was dispensed: INITIATION.		Approved KPM	53.30	53.00	54.00

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
6 - FOLLOW-UP CARE FOR CHILDREN PRESCRIBED WITH ADHD MEDICATION (CONTINUATION AND MAINTENANCE) - Percentage of children newly prescribed attention-deficit/hyperactivity disorder (ADHD) medication who had at least three follow-up care visits within a 10-month period, one of which was within 30 days of when the first ADHD medication was dispensed: CONTINUATION AND MAINTENANCE		Approved KPM	61.60	64.00	65.00
7 - 30 DAY ILLICIT DRUG USE AMONG 6TH GRADERS - Percentage of 6th graders who have used illicit drugs in the		Approved KPM	1.40	1.40	1.30
8 - 30 DAY ALCOHOL USE AMONG 6TH GRADERS - Percentage of 6th graders who have used alcohol in the past 30 days.		Approved KPM	4.50	4.50	3.50
9 - 30 DAY ILLICIT DRUG USE AMONG 8TH GRADERS - Percentage of 8th graders who have used illicit drugs in the		Approved KPM	8.10	8.10	7.10
10 - 30 DAY ALCOHOL USE AMONG 8TH GRADERS - Percentage of 8th graders who have used alcohol in the past 30 days.		Approved KPM	16.90	16.50	15.50
11 - 30 DAY ILLICIT DRUG USE AMONG 11TH GRADERS - Percentage of 11th graders who have used illicit drugs in the past 30 days.		Approved KPM	19.10	19.00	18.00
12 - 30 DAY ALCOHOL USE AMONG 11TH GRADERS - Percentage of 11th graders who have used alcohol in the past 30 days.		Approved KPM	33.50	33.50	32.50
13 - PRENATAL CARE (POPULATION) - Percentage of women who initiated prenatal care in the first 3 months of pregnancy.		Approved KPM	77.80	90.00	91.00
14 - PRENATAL CARE (MEDICAID) - Percentage of women who initiated prenatal care within 42 days of enrollment.		Approved KPM	67.30	90.00	91.00
15 - PRIMARY CARE SENSITIVE HOSPITAL ADMISSIONS/INPATIENT STAYS - Rate per 100,000 client years of admissions (for 12 diagnoses) that are more appropriately treated in an outpatient setting.		Approved KPM	1,559.70		
16 - PATIENT CENTERED PRIMARY CARE HOME (PCPCH) ENROLLMENT - Number of members enrolled in patient-centered primary care homes by tier.		Approved KPM	78.60	100.00	100.00

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
17 - ACCESS TO CARE - Percentage of members who responded "always" or "usually" too getting care quickly (composite for adult and child).		Approved KPM	83.60	87.20	87.50
18 - MEMBER EXPERIENCE OF CARE - Composite measurement: how well doctors communicate; health plan information and customer service (Medicaid population).		Approved KPM	83.10	89.60	90.00
19 - MEMBER HEALTH STATUS - Percentage of CAHPS survey respondents with a positive self-reported rating of overall health (excellent, very good).		Approved KPM	29.00	67.00	69.00
20 - RATE OF TOBACCO USE (POPULATION) - Rate of tobacco use among adults.		Approved KPM	22.00	20.00	20.00
21 - RATE OF TOBACCO USE (MEDICAID) - Percentage of CCO enrollees who currently smoke cigarettes or use tobacco every day or some days.		Approved KPM	34.10	25.00	25.00
22 - RATE OF OBESITY (POPULATION) - Percentage of adults who are obese among Oregonians.		Approved KPM	27.00	30.00	30.00
23 - RATE OF OBESITY (MEDICAID) - Percentage of Medicaid population who are obese.		Approved KPM	41.00	41.00	41.00
24 - PLAN ALL CAUSE READMISSIONS - Percentage of acute inpatient stays that were followed by an acute readmission for any diagnosis within 30 days and the predicted probability of an acute readmission for members 18 years and older.		Approved KPM	11.70	10.50	10.50
25 - EFFECTIVE CONTRACEPTIVE USE (POPULATION) - Percentage of reproductive age women who are at risk of unintended pregnancy using an effective method of contraception.		Approved KPM	72.60	57.20	58.20
26 - EFFECTIVE CONTRACEPTIVE USE (MEDICAID) - Percentage of reproductive age women who are at risk of unintended pregnancy using an effective method of contraception.		Approved KPM	85.00	50.00	52.00
27 - FLU SHOTS (POPULATION) - Percentage of adults ages 50-64 who receive a flu vaccine.		Approved KPM	36.00	57.00	57.00
28 - FLU SHOTS (MEDICAID) - Percentage of adults ages 50-64 who receive a flu vaccine.		Approved KPM	42.20	57.00	57.00

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
29 - CHILD IMMUNIZATION RATES (POPULATION) - Percentage of children who are adequately immunized (immunization series 4:3:1:3:3:1:4).		Approved KPM	58.20	80.00	80.00
30 - CHILD IMMUNIZATION RATES (MEDICAID) - Percentage of children who are adequately immunized (immunization series 4:3:1:3:3:1:4).		Approved KPM	65.30	82.00	82.00
31 - CUSTOMER SERVICE (OHA) - Percentage of OHA customers rating their satisfaction with the agency's customer service as "good" or "excellent" overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Accuracy	Approved KPM		95.00	95.00
31 - CUSTOMER SERVICE (OHA) - Percentage of OHA customers rating their satisfaction with the agency's customer service as "good" or "excellent" overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Availability of Information	Approved KPM		95.00	95.00
31 - CUSTOMER SERVICE (OHA) - Percentage of OHA customers rating their satisfaction with the agency's customer service as "good" or "excellent" overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Expertise	Approved KPM		95.00	95.00
31 - CUSTOMER SERVICE (OHA) - Percentage of OHA customers rating their satisfaction with the agency's customer service as "good" or "excellent" overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Helpfulness	Approved KPM		95.00	95.00
31 - CUSTOMER SERVICE (OHA) - Percentage of OHA customers rating their satisfaction with the agency's customer service as "good" or "excellent" overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Overall	Approved KPM		95.00	95.00
31 - CUSTOMER SERVICE (OHA) - Percentage of OHA customers rating their satisfaction with the agency's customer service as "good" or "excellent" overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved KPM		95.00	95.00

LFO Recommendation:

Approve the KPMs as proposed. Approve targets for 2016 and 2017 as shown.

Sub-Committee Action:

Proposed Budget Notes for SB 5526 – Oregon Health Authority

Budget Note #1 – Medical Assistance Programs

The Oregon Health Authority shall put together a work group to compile a list of the current issues of concern in regards to the functioning of the Medicaid Management Information System (MMIS) as it relates to other systems and interfaces, and to make recommendations on resolving those issues. The group shall include staff from the agency, three coordinated care organizations, three health care providers, and the Legislative Fiscal Office. By November 2015, the agency will report the findings of the group, and the resolution or expected resolution of the issues, to the Joint Interim Committee on Ways and Means.

Budget Note #2 – Medical Assistance Programs

The budget for the Medical Assistance Programs includes a consensus product developed with stakeholders, the Governor's Office and the Legislature. As part of the funding package, the Legislature passed HB 2395 to renew the hospital provider assessment with the assumption that the base rate for the provider assessment would be 5.3%. The base rate shall only be adjusted during the 2015-17 and 2017-19 biennia in accordance with Section 2, chapter 736, Oregon Laws 2003, as amended by section 1, chapter 780, Oregon Laws 2007, section 51, chapter 828, Oregon Laws 2009, section 17, chapter 867, Oregon Laws 2009, section 2, chapter 608, Oregon Laws 2013 and HB 2395. The budget has made assumptions about the other funds and federal funds limitations to assure the program continues to operate as it has and stays within the state and federal requirements.

Budget Note #3 – Public Employees' Benefit Board

The budget for the Public Employees' Benefit Board has been limited to annual per employee growth of 3.4%. It is the legislature's expectation that PEBB will meet these limits by holding health plans accountable to change the health care delivery system to promote better health, better care and lower costs, and not by shifting costs to PEBB members.

Budget Note #4 – Oregon Educators Benefit Board

The budget for the Oregon Educators Benefit Board has been limited to annual per employee growth of 3.4%. It is the legislature's expectation that OEBB will meet these limits by holding health plans accountable to change the health care delivery system to promote better health, better care and lower costs, and not by shifting costs to OEBB members.

Budget Note #5 – Addictions and Mental Health

The Oregon Health Authority will report to the Joint Interim Committee on Ways and Means in September 2015 on their plan for investing the new resources in mental health and addictions, the process being used, and progress to date. The agency will report again during the 2016 legislative session on the implementation of the program investments, including details of the specific program investments, how these investments address gaps in the current system, community partnerships supporting these investments, progress to date, and expected or actual outcomes.

Budget Note #6 – Addictions and Mental Health

The Oregon Health Authority will report to the 2016 legislative session regarding the problem of “boarding” of patients with mental illness in hospital emergency departments while patients wait for a bed in an appropriate setting. The report will contain a thorough description of the system and process as it works now and why, including relevant statutes and reimbursements. It will also include data to describe the magnitude of the problem. Finally, the report will contain an analysis of the reasons for the “boarding”, such as gaps in necessary services within the system, and proposals for potential solutions.

**PROPOSED AMENDMENTS TO
SENATE BILL 5526**

1 On page 1 of the printed bill, line 8, delete “\$2,039,349,878” and insert
2 “\$1,943,158,786”.

3 In line 11, delete “\$99,862,136” and insert “\$99,216,002”.

4 In line 24, delete “\$2,146,900,227” and insert “\$2,195,832,562”.

5 On page 2, line 3, delete “\$25,420,939” and insert “\$25,711,718”.

6 In line 5, delete “\$136,728,884” and insert “\$136,926,243”.

7 In line 9, delete “\$10,353,121” and insert “\$11,292,564”.

8 In line 17, delete “\$10,648,022,498” and insert “\$11,332,404,020”.

9 In line 20, delete “\$71,993,259” and insert “\$71,549,093”.

10 In line 30, delete “\$1,645,718,505” and insert “\$1,773,076,903”.

11 In line 34, delete “\$1,645,739,370” and insert “\$1,544,625,177”.

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