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# MEMORANDUM

Legislative Fiscal Office  
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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 – Health Policy Programs,  
Private Health Partnerships, Health Licensing Office  
Work Session Recommendations

## Oregon Health Authority – Health Policy Programs, Private Health Partnerships, Health Licensing Office

	2011-13 Actual	2013-15 Legislatively Approved	2015-17 Current Service Level	2015-17 LFO Recommended
General Fund	9,238,422	46,006,249	15,436,692	18,710,336
Other Funds	61,280,898	30,379,002	11,048,106	10,634,459
Other Funds NL	254,094,772	236,417,565	103,500,000	103,500,000
Federal Funds	346,018,978	204,079,065	112,336,464	114,885,980
<b>Total Funds</b>	<b>\$670,633,070</b>	<b>\$516,881,881</b>	<b>\$242,321,262</b>	<b>\$247,730,775</b>
Positions	217	227	161	162
FTE	166.27	156.04	147.68	156.66

Attached are the recommendations from the Legislative Fiscal Office for the Oregon Health Authority – Health Policy Programs, Private Health Partnerships, Health Licensing Office. These three programs are summarized as follows:

- Health Policy Programs – part way through the 2013-15 biennium, these programs were moved out of Central Services into their own budget unit. Programs include the Office of Health Policy and Research, Office of Health Analytics, OHA Transformation Center, Office of Equity and Inclusion, and the Office of Health Information Technology. All General Fund in this budget recommendation is a part of this unit.
- Private Health Partnerships – most of the programs that this unit administered closed during the 2013-15 biennium due to the implementation of the Affordable Care Act. All that remains for 2015-17 is the Oregon Transitional Reinsurance Pool program, that will cover certain high-cost claims incurred through December of 2016. The budget associated with this program in 2015-17 is nearly all Other Funds Nonlimited.
- Health Licensing Office – this office was incorporated into OHA in the middle of the 2013-15 biennium. Its budget is entirely Other Funds, supported by fees.

The LFO recommended total funds budget is 52% less than the 2013-15 legislatively approved budget. This is primarily due to the closure of programs in Private Health Partnerships during the 2013-15 biennium, as well as the removal of the \$30 million General Fund Transformation Fund which was a one-time investment during 2013-15. The recommended budget includes the following:

- Funds the OHA portion of the REAL+D project to design, build and implement a tool to collect, report and analyze data on race, ethnicity, language and disability. The IT Subcommittee held a hearing on this project and referred it back to the Human Services Subcommittee. The recommendation is attached.
- Invests \$2.4 million General Fund to continue the Transformation Center, the Office of Health Policy and Research, and Health Analytics after the federal State Innovation Model grant ends in September 2016.

### **Adjustments to Current Service Level:**

See attached "SB 5526 Work Session" spreadsheet dated 6/15/15.

LFO recommends the Subcommittee approve a 2015-17 OHA Health Policy Programs, Private Health Partnerships, Health Licensing Office preliminary budget of:

\$ 18,710,336	General Fund
\$ 10,634,459	Other Funds
\$114,885,980	Federal Funds
\$103,500,000	Nonlimited Other Funds

162 Positions  
156.66 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 Health Policy Programs, Private Health Partnerships, and Health Licensing Office budgets are 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: HEALTH POLICY, PRIVATE HEALTH PARTNERSHIPS, HEALTH LICENSING  
2015-17 RECOMMENDED BUDGET**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
<b>2013-15 Legislatively Approved Budget (As of May 2015)</b>	46,006,249	-	30,379,002	204,079,065	236,417,565	-	516,881,881	227	156.04	
<b>2015-17 Current Service Level Estimate</b>	15,436,692	-	11,048,106	112,336,464	103,500,000	-	242,321,262	161	147.68	
<b>2015-17 Governor's Budget</b>	20,315,058	-	11,196,904	115,124,308	103,500,000	-	250,136,270	197	170.18	
<b>2015-17 LFO RECOMMENDED BUDGET</b>	18,710,336	-	10,634,459	114,885,980	103,500,000	-	247,730,775	162	156.66	

**2015-17 WORKING BUDGET ADJUSTMENTS DETAIL**

1	<b>2015-17 Current Service Level Estimate</b>	15,436,692	-	11,048,106	112,336,464	103,500,000	-	242,321,262	161	147.68	
2	<b>LFO Recommendations of Existing Packages</b>										
3	Pkg 082: December 2014 EBoard actions	235,749	-	57,829	150,726	-	-	444,304	2	2.00	Civil rights investigations
4	Pkg 201 REaL+D	634,672	-	-	-	-	-	634,672	2	2.00	
5	Pkg 402-2 Continue Transformation Center	1,042,899	-	-	1,040,051	-	-	2,082,950	-	4.94	
6	Pkg 402-3 Continue Office of Health Policy and Research	1,360,029	-	-	1,358,444	-	-	2,718,473	-	3.04	
7											
8	<b>Other Recommended Adjustments</b>										
9	Pkg 801: LFO Analyst Adjustments										
10	Health Licensing Office transfers of staff	-	-	(501,946)	-	-	-	(501,946)	(3)	(3.00)	
11	Adjustment to CSL for Attorney General rate	295	-	30,470	295	-	-	31,060	-	-	End of Session bill will adjust
12											
13	<b>Total Adjustments from CSL</b>	<b>3,273,644</b>	<b>-</b>	<b>(413,647)</b>	<b>2,549,516</b>	<b>-</b>	<b>-</b>	<b>5,409,513</b>	<b>1</b>	<b>8.98</b>	
14											
15	<b>TOTAL 2015-17 LFO Recommended Budget</b>	<b>18,710,336</b>	<b>-</b>	<b>10,634,459</b>	<b>114,885,980</b>	<b>103,500,000</b>	<b>-</b>	<b>247,730,775</b>	<b>162</b>	<b>156.66</b>	
16											
17	<b>Change from 2013-15 Approved</b>	<b>(27,295,913)</b>	<b>-</b>	<b>(19,744,543)</b>	<b>(89,193,085)</b>	<b>(132,917,565)</b>	<b>-</b>	<b>(269,151,106)</b>	<b>(65)</b>	<b>0.62</b>	
18	<b>Change from 2015-17 CSL Estimate</b>	<b>3,273,644</b>	<b>-</b>	<b>(413,647)</b>	<b>2,549,516</b>	<b>-</b>	<b>-</b>	<b>5,409,513</b>	<b>1</b>	<b>8.98</b>	
19	<b>Change from 2015-17 Governor's Budget</b>	<b>(1,604,722)</b>	<b>-</b>	<b>(562,445)</b>	<b>(238,328)</b>	<b>-</b>	<b>-</b>	<b>(2,405,495)</b>	<b>(35)</b>	<b>(13.52)</b>	
20											
21	<b>% Change from 2013-15 Approved</b>	<b>-59.3%</b>		<b>-65.0%</b>	<b>-43.7%</b>	<b>-56.2%</b>		<b>-52.1%</b>	<b>-28.6%</b>	<b>0.4%</b>	
22	<b>% Change from 2015-17 CSL Estimate</b>	<b>21.2%</b>		<b>-3.7%</b>	<b>2.3%</b>	<b>0.0%</b>		<b>2.2%</b>	<b>0.6%</b>	<b>6.1%</b>	
23	<b>% Change from 2015-17 Governor's Budget</b>	<b>-7.9%</b>		<b>-5.0%</b>	<b>-0.2%</b>	<b>0.0%</b>		<b>-1.0%</b>	<b>-17.8%</b>	<b>-7.9%</b>	

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**To:** Human Services Subcommittee  
Joint Committee on Ways and Means

**From:** Information Technology Subcommittee  
Joint Committee on Ways and Means

**Date:** May 21, 2015

**Subject:** Department of Human Services: HB 5026 – POP #201 & Oregon Health Authority: SB 5526 - POP #201 – DHS/OHA Race, Ethnicity, Language, and Disability (REAL+D) Project LFO Recommendations

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The Information Technology (IT) Subcommittee accepts the LFO recommendation and refers the Department of Human Services (DHS)/Oregon Health Authority (OHA) Race, Ethnicity, Language, and Disability (REAL+D) Project request back to the Joint Ways and Means Subcommittee on Human Services without recommendation.

## **LFO Recommendation**

The Legislative Fiscal Office (LFO) recommends incremental, conditional approval of Policy Option Packages #201, assuming the funding and personnel resources are made available to DHS and OHA within the 2015-17 adopted budget. It is further recommended that the proposed funding for any needed planning activities be approved and any remaining funds be unscheduled by the Department of Administrative Services (DAS). Specifically, LFO recommends that the Department of Human Services and the Oregon Health Authority:

- Should return to the Joint Interim Committee on Ways and Means or the 2016 legislative session to report on their progress on the planning activities for the project, and to provide a more detailed analysis on why the revised approach is a better option. LFO and the DAS Chief Financial Office will ask to have the appropriate amount of funding rescheduled once the project has reported and is ready to move forward.