

BUDGET REPORT AND MEASURE SUMMARY

Joint Committee On Ways and Means

Action:

Action Date:

Vote:

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Reviewed By: Linda Ames, Legislative Fiscal Office

Agency: Oregon Health Authority

Biennium: 2015-17

Budget Summary*

	2013-15 Legislatively Approved Budget ⁽¹⁾	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 1,864,374,513	\$ 2,792,538,727	\$ 2,042,374,788	\$178,000,275	9.5%
General Fund Capital Improvements	\$ 679,238	\$ 699,615	\$ 699,615	\$20,377	3.0%
General Fund Debt Service	\$ 68,941,780	\$ 69,678,258	\$ 69,678,258	\$736,478	1.1%
Lottery Funds	\$ 10,592,532	\$ 10,923,154	\$ 11,292,564	\$700,032	6.6%
Other Funds Limited	\$ 4,165,379,769	\$ 2,869,893,521	\$ 5,676,172,603	\$1,510,792,834	36.3%
Other Fund Capital Improvements	\$ -	\$ -	\$ 699,615	\$699,615	100.0%
Other Funds Debt Service	\$ 8,372,432	\$ 50,000	\$ 50,000	(\$8,322,432)	-99.4%
Other Funds Nonlimited	\$ 1,904,711,565	\$ 1,859,287,088	\$ 143,500,000	(\$1,761,211,565)	-92.5%
Federal Funds Limited	\$ 9,575,251,558	\$ 9,599,471,616	\$ 11,403,953,113	\$1,828,701,555	19.1%
Federal Funds Nonlimited	\$ 102,729,051	\$ 102,729,051	\$ 102,729,051	\$0	0.0%
Federal Funds Debt Services Nonlimited	\$ 4,151,016	\$ 3,923,972	\$ 3,923,972	(\$227,044)	-5.5%
Total	\$ 17,705,183,454	\$ 17,309,195,002	\$ 19,455,073,579	\$1,749,890,125	9.9%
	\$ -				

Position Summary

Authorized Positions	4,532	4,530	4,377	-155
Full-time Equivalent (FTE) positions	4,143.41	4,479.45	4,326.96	183.55

⁽¹⁾ Includes adjustments through May 2015

* Excludes Capital Construction expenditures

Revenue Summary

The Oregon Health Authority (OHA) is funded with a mix of General Fund, Lottery Funds, Other Funds and Federal Funds revenues. Most General Fund is used as match to receive Federal Funds. Lottery Funds finance gambling addiction prevention and treatment services. Other Funds revenues support about 30.0 percent of OHA expenditures. These come from a wide variety of sources including tobacco taxes, Medicaid provider assessments, grants, beer and wine taxes, fees, estate collections, health care premiums, third party recoveries, pharmaceutical rebates, and charges for services.

House Bill 2395 continues the hospital assessment for four more years. In 2015-17, this is expected to generate approximately \$900.0 million additional Other Funds revenues to be used to help pay for the Oregon Health Plan. These Other Funds will generate about \$2.4 billion of federal matching revenues. This budget includes \$353.0 million in tobacco tax revenue, used to fund the Oregon Health Plan, tobacco prevention and education programs, and community mental health programs. OHA also receives a total of \$122.0 million of the Tobacco Master Settlement Agreement resources. In addition, the 2015-17 budget includes \$136.0 million in resources as a result of the federal Designated State Health

Programs (DSHP). This is the last two years of federal resources that were included as part of the state's federal waiver approved in 2012 that invested \$1.9 billion over five years in health care transformation.

Several fee increases are included in this budget for Public Health. Additional Other Funds revenues of \$5.1 million result from fee increases in the Radiation Protection Program, Newborn Screening, Drinking Water Services, Vital Records, and Lead-based Paint Program. The budget is dependent on the passage of Senate Bill 228 which raises fees and statutory fee caps in the Radiation Protection Program, as well as Senate Bill 5527, the fee ratification bill for the agency. Senate Bill 5527 ratifies fee changes adopted administratively during the interim.

During the 2015-17 biennium, the Public Employees Benefit Board and the Oregon Educators Benefit Board are expected to collect a total of \$3.3 billion Other Funds revenues from state agencies and educational entities, and use these funds to pay premiums and provide health insurance for members.

Summary of Human Services Subcommittee Action

The Oregon Health Authority (OHA) was created in the 2009 Legislative Session to bring most health-related programs into a single agency to maximize its purchasing power and to contain rising health care costs statewide. OHA is overseen by the Oregon Health Policy Board. OHA's mission is to help people and communities achieve optimum physical, mental and social well-being through partnerships, prevention, and access to quality, affordable health care. OHA has adopted the triple aim of improving health, increasing quality and lowering costs of care to achieve its mission. Programs provide medical coverage to low-income individuals and families, and to public employees; offer treatment services to persons with mental illness, alcohol or drug addictions; provide supports for Oregonians with disabilities; and regulate the state's public health system.

The Joint Committee on Ways and Means Human Services Subcommittee heard agency and public testimony on the agency's budget over the course of several months. The Subcommittee approved a budget for the Oregon Health Authority 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, and \$106,653,023 Federal Funds Nonlimited, for a total funds budget of \$19,455,073,579 and 4,377 positions (4,326.96 FTE). This is 9.2 percent General Fund and 9.9 percent total funds higher than the 2013-15 Legislatively Approved Budget. Total funds increased \$1.75 billion over the 2013-15 level. This is largely a result of the expansion of health coverage under Medicaid to all persons under 138 percent of the federal poverty level, effective January 2014. Services for most of these new clients are currently being funded with 100 percent Federal Funds. The state will pay five percent of those costs starting January 1, 2017, for the last six months of the biennium.

Health care costs in the Oregon Health Plan are capped at an increase of 3.4 percent per person per year during the 2015-17 biennium, based on Oregon's current federal waiver. Those increases are fully funded in this budget. The recommended budget makes additional investments for community mental health and addiction treatment services. In addition, funding is provided to open four of the six wards at the Junction City state hospital facility.

The Subcommittee reviewed the packages used to build the Governor's Budget and the agency's repricing ("reshoot") adjustments for caseload, cost-per-case, and other changes since the Governor's Budget was developed. Also included in the Subcommittee's recommended budget are Emergency Board actions taken in the 2013-15 interim that have an impact on the agency's 2015-17 budget. These include the September and December 2014 Emergency Board rebalance adjustments.

A more detailed description of major changes for each program area follows.

Medical Assistance Programs

Medical Assistance Programs deliver health services to over one million people, primarily through the Oregon Health Plan which includes both Medicaid and the Children's Health Insurance Program (CHIP). The programs provide a system of comprehensive health services to qualifying low-income Oregonians and their families to improve their health status and promote independence.

The Subcommittee approved a total funds budget of \$13,685,020,625, including \$1,101,730,078 General Fund, \$1,890,979,987 Other Funds, \$10,692,310,560 Federal Funds and 516 positions (507.35 FTE). The total funds budget is 14.6 percent higher than the 2013-15 Legislatively Approved Budget. This is primarily the result of the continuation of the Affordable Care Act expansion of health coverage under Medicaid to all persons under 138 percent of the federal poverty level. Over 400,000 Oregonians have health care coverage through the Oregon Health Plan since the expansion. Services for most of these new clients are currently being paid funded with 100 percent federal funds. The state will pay five percent of those costs starting January 1, 2017, for the last six months of the biennium. The General Fund budget is 10.0 percent higher than the 2013-15 Legislatively Approved Budget.

Health care costs continue to be capped at 3.4 percent per person per year. Those increases are fully funded in this budget. The recommended budget includes the continuation of the current hospital assessment, which was scheduled to sunset in September of 2015, at the base rate of 5.3 percent per House Bill 2395 (2015). The rate will float in order to maintain equilibrium between revenues and allowable expenditures. The base rate includes a 1.0 percent assessment, to create the Hospital Transformation Pool, splitting the revenues in the pool between the hospitals based on their achievement of performance metrics, and coordinated care organizations based on recommendations from the OHA metrics and scoring committee. The budget also includes \$145 million of hospital assessment revenues that are expected to be left at the end of 2013-15 and will be carried forward for the 2015-17 biennium. The Subcommittee directed the following budget note related to the hospital assessment:

Budget Note:

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.

The budget includes \$101.8 million in Tobacco Master Settlement Agreement revenues, which is a decrease of \$22.2 million from the current service level. This is a result of a reduction in total resources expected in 2015-17, as well as transfers of these revenues to community mental health programs, tobacco prevention and cessation programs, and physical education programs.

The Subcommittee approved Package 082 : December 2014 Emergency Board Actions, reflecting adjustments made as part of the 2013-15 rebalance that have impacts on the 2015-17 biennium. This package reduces General Fund by \$16.7 million and total funds by \$128.9 million. Costs per case are reduced by \$31.0 million General Fund and \$217.4 million total funds. The costs per case reduction is partially offset by an increase for Federally Qualified Health Centers as some clinics have moved to a prospective payment method, creating temporary additional costs during the transition period. This package also includes costs that certain coordinated care organizations must pay as part of the Affordable Care Act.

The Subcommittee recommended budget incorporates agency “reshoot” adjustments including changes to caseload costs related to the Spring 2015 caseload forecast, additional drug rebate revenues, additional tobacco tax revenues, and changes resulting from the federal match rate. Caseload costs were reduced by \$83.9 million General Fund, but increased by \$539.3 million Federal Funds as the expansion caseload increases. The Subcommittee acknowledged that the level of uncertainty regarding these caseload forecasts and funding assumptions is greater than it has been in the past.

The Subcommittee approved an increase of \$12.4 million General Fund and \$80.1 million total funds for the Modified Adjusted Gross Income Transfer Project, to develop a Medicaid eligibility system in Oregon. Of this total, about \$3.7 million General Fund is related to completing the information technology transfer from the Kentucky system to Oregon, and \$8.7 million is for eligibility staff and IT costs related to continuing the current hybrid process of enrolling members and doing redeterminations. The Subcommittee approved the following budget note:

Budget Note:

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.

The partial restoration of dental services is approved (\$3.9 million General Fund and \$30.0 million Federal Funds) to cover crowns for adults, dentures when dentally appropriate and replacement every ten years, and partial dentures with replacement every five years. The budget includes \$1.1 million General Fund and \$4.3 million total funds for three additional Federally Qualified Health Centers to transition over to the alternative payment method starting July 1, 2015. At its first rebalance, the agency should report on costs related to the transition of Federally Qualified Health Centers to the new methodology, as well as future plans for transitioning additional Centers.

Also included is \$1.0 million total funds to cover the anticipated fee for service costs related to Psychiatric Emergency Services. This is a new service delivery model being developed by a consortium of Portland area hospitals, and is expected to start near the end of the 2015-17 biennium.

Public Employees' Benefit Board

The Public Employees' Benefit Board (PEBB) designs, contracts for and administers health plans, group insurance policies, and flexible spending accounts for state employees and their dependents, representing over 136,000 Oregonians. The Subcommittee approved an Other Funds budget of \$1,782,969,295 and 22 positions (21.50 FTE). This is a 9.7 percent increase over the 2013-15 legislatively approved funding level.

The budget continues to cap PEBB's total core program expenditure growth at 3.4 percent per employee per year, consistent with the Oregon Educators Benefit Board and the Oregon Health Plan. The Other Funds expenditure limitation has been adjusted to reflect the latest caseload projection and premium expenditure data, and includes a modest increase in the number of employees expected to be covered by the program during 2015-17. Expenditure limitation is also included for premiums on optional insurance such as life, disability, and long-term care insurance, for which members generally pay the full premium themselves. The Subcommittee expressed its expectation in the following budget note:

Budget Note:

The budget for the Public Employees' Benefit Board has been limited to annual per employee growth of 3.4 percent. 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.

The Subcommittee also approved Package 082: December 2014 Emergency Board Actions, adding three permanent positions (3.00 FTE) and \$625,196 Other Funds expenditure limitation to recognize the 2015-17 biennium impacts of the agency's December 2014 rebalance plan. The increased staff will address the additional workload of managing more plans with the recent plan contracts and of implementing House Bill 2279 (2013), which allows local governments to participate in PEBB. They will also bring the administration of the gym subsidy program in-house.

Oregon Educators Benefit Board

The Oregon Educators Benefit Board (OEBB) administers medical, dental, vision and other benefits for Oregon's school districts, community colleges, and education service districts. With the passage of House Bill 2279 (2013), cities, counties and special districts also became eligible to join the OEBB benefits program effective January 2014. OEBB designs and maintains a full range of benefit plans for eligible and participating entities to offer their employees and early retirees. The Subcommittee approved an Other Funds budget of \$1,557,630,028 and 25 positions (25.00 FTE). This is a 5.0 percent decrease from the 2013-15 legislatively approved total funds level. The reason for the decrease is that the limitation provided for the 2013-15 biennium was significantly higher than will actually be spent. The 2015-17 recommendation is calculated off actual costs for the 2014-15 plan year.

The Subcommittee recommended budget for OEBB eliminates all Other Funds Nonlimited authority, and instead moves all expenditure limitation to Other Funds Limited. The budget also caps OEBB's total core program expenditure growth at 3.4 percent per employee per year, consistent with the Public Employees' Benefit Board and the Oregon Health Plan. The Other Funds expenditure limitation has been adjusted to reflect the latest caseload projection and premium expenditure data, and includes a modest increase in the number of employees expected to be covered by the program during 2015-17. Expenditure limitation is also included for premiums on optional insurance such as life, disability, and long-term care insurance, for which members generally pay the full premium themselves. The Subcommittee clarified that the 3.4 percent cap is relevant only to the total core program expenditures for OEBB, and that individual benefit plans, or costs to individual members, could go up either more or less than the 3.4 percent per year. The Subcommittee expressed its expectation in the following budget note:

Budget Note:

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.

The Subcommittee approved Package 082 December 2014 Emergency Board Actions, which adds \$287,548 Other Funds expenditure limitation and one new permanent position (1.00 FTE) to address workload related to implementation of House Bill 2279 (2013), allowing cities, counties, and other municipalities to participate in OEBB or PEBB, as well as work to align OEBB with the coordinated care model.

Package 409 Transparency and Engagement, was also approved. It adds \$450,000 Other Funds expenditure limitation to continue to allow OEBB to make its online plan selection tool available to employees and allow for enhancements, following the end of the grant that funded this tool.

Addictions and Mental Health

The Addictions and Mental Health (AMH) program provides treatment services to Oregonians at risk of developing or who have been diagnosed with any behavioral health disorder. Services are delivered through community non-profit providers, county mental health agencies, coordinated care organizations, as well as the state hospital system. The goal is to deliver behavioral health care in the least restrictive and most integrated setting possible.

The Subcommittee approved budget for AMH is \$1,174,055,369 total funds, including \$783,464,530 General Fund, \$11,292,564 Lottery Funds, \$107,408,460 Other Funds, \$271,889,815 Federal Funds, and 2,392 positions (2,384.47 FTE). This is a total funds increase of 13.5 percent and a General Fund increase of 14.0 percent compared to AMH's 2013-15 Legislatively Approved Budget. Most of this increase comes from roll-up costs from the prior biennium program increases as well as 2015-17 biennium investments in community mental health and addiction services.

The Subcommittee approved Package 081: September 2014 Emergency Board Actions, which continues funding for regional mental health specialist coordinators to coordinate services between the mental health system and the seniors system. The package increases General Fund by \$6.2 million and adds one permanent position (1.00 FTE).

Package 082: December 2014 Emergency Board Actions, was also approved. It continues General Fund to fill a budget gap in the Oregon State Hospital budget as well as Federal Funds related to a federal grant. The package increases General Fund by \$23.5 million and increases total funds by \$50.3 million.

The Subcommittee noted the recommended budget includes \$44.0 million of 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. It also includes \$8.7 million General Fund for caseload growth associated with the Spring 2015 caseload forecast. The budget includes new investments of \$22.2 million in community mental health treatment services (\$17.6 million General Fund and \$4.6 million of tobacco tax resources). This includes approximately \$7.0 million for crisis service, including mobile crisis services; \$6.5 million for jail diversion; \$7.0 million for supported housing (rental assistance) and peer-delivered services; and \$1.5 million to expand the Oregon Psychiatric Access Line for

Kids (OPAL-K). Some of these services may be provided through the Oregon Health Plan and through coordinated care organizations, in which case additional federal funding may be leveraged.

Another \$6.0 million General Fund is included in the budget for addictions treatment and recovery support, including increased capacity for detoxification/withdrawal management, sobering facilities, and peer delivered services. A total of \$275,000 of this funding should be set aside for the Douglas County crisis center/sobering facility, to provide one-time support to get this program up and running. Another \$500,000 is intended to be available for the Grants Pass sobering facility, to provide one-time support for start-up costs. As described above, additional federal funding may be leveraged.

A number of the new investments in both community mental health and addictions are intended to reduce the number of individuals with mental illness and/or substance abuse disorders from entering the criminal justice system. The agency will develop a plan to invest these resources, taking into account current needs and gaps in services, and readiness of programs to make these investments. Priority should be given to proposals that use community partnerships that include cost sharing, including public safety agencies and coordinated care organizations. Priority should also be given to proposals that address the longer run sustainability of the program so that state funding can be used for new programs in the future. The Subcommittee included the following budget note:

Budget Note:

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.

The Subcommittee recommended budget includes funding to open four wards at the Junction City campus. This will increase the total bed capacity of the Oregon State Hospital (OSH) by 38 over the capacity during the last year. This is expected to reduce the wait list for civilly committed patients. The budget continues the closure of the Neuro-Geriatric unit on the Salem campus of OSH. An increase in federal Medicare revenues of \$4.0 million was approved, as a result of recent efforts at OSH to increase Medicare billings and to pursue Medicare certification for additional wards. The budget also includes an increase of \$10 million General Fund for OSH cost allocation to ensure compliance with federal requirements. This number is preliminary, and the agency expects to return with updated information in their first rebalance for 2015-17. The Subcommittee also approved a realignment of positions for Junction City, which is budget neutral. The Subcommittee directed the following budget note:

Budget Note:

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.

The Subcommittee approved Package 401-1 Aid and Assist, which adds restoration services at the community level to reduce the number of people committed to the Oregon State Hospital for these services. These are services required to restore an individual's ability to aid and assist in their own defense, before the person can stand trial. The package is a companion to House Bill 2420 (2015). The package increases General Fund by \$4.1 million and establishes one permanent position (0.83 FTE).

Package 401-2 Mental Health Certification, was also approved, which allows AMH to centralize regulatory responsibilities for the oversight of community mental health programs. The package increases General Fund by \$859,620 and establishes four permanent positions (4.00 FTE).

Finally, the Subcommittee approved Package 501 Measure 91 Implementation, providing expenditure limitation for mental health and addictions treatment in anticipation of revenue from the sale of recreational marijuana. This revenue would be available for addiction prevention and treatment services. The package increases Other Funds expenditure limitation by \$2.3 million and establishes two permanent positions (2.00 FTE).

Public Health

Public Health provides a diversity of services to improve and protect the health of all Oregonians, and to support the goals of Oregon's health care transformation. The program manages more than 100 prevention-related programs that halt the spread of disease, protect against environmental hazards, and promote healthy behaviors. Much of the work is carried out by local county health departments which are supported in their work by Public Health staff. By working to address behavioral and social drivers of health, public health programs can complement and amplify investments in other health care programs.

The Subcommittee approved a budget for Public Health of \$600,612,201 total funds, including \$39,953,457 General Fund, \$164,612,028 Other Funds, \$40,000,000 Other Funds Nonlimited, \$253,317,665 Federal Funds, \$102,729,051 Federal Funds Nonlimited and 721 positions (703.04 FTE). Total funds are 14.5 percent higher than the 2013-15 Legislatively Approved Budget, primarily the result of the transfer of the CAREAssist program from Medical Assistance Programs to Public Health. The General Fund budget is 0.7 percent lower than the 2013-15 level, partially because of lower program costs resulting from more Oregonians having insurance, and partially because of the use of excess medical marijuana revenues in lieu of General Fund.

The Subcommittee approved Package 070 Revenue Shortfalls, which reduces expenditure limitation by \$2.1 million Other Funds and \$0.2 million Federal Funds and six positions (6.00 FTE) to show the effect of revenue shortfalls that would occur if the fee increases in packages 407 and 408 are not approved.

The Subcommittee also approved Package 081, September 2014 Emergency Board Actions, and Package 082 December 2014 Emergency Board actions, which incorporate the 2015-17 effects of actions taken during 2013-15 Emergency Board meetings. This includes additional staffing for medical marijuana dispensaries program as well as expenditure limitation related to federal grants and the Women, Infants, and Children (WIC) program.

The CCare budget was reduced to account for lower caseload as a result of more Oregonians having health insurance. General Fund was reduced by \$1,275,000 and \$1,525,000 of medical marijuana revenues expected to be left over at the end of 2013-15 was removed. Their final budget

includes \$1.65 million General Fund and \$2.82 million Other Funds related to medical marijuana revenues, as well as federal matching revenues. This will fully fund their current caseload of about 3,000 enrollments per month. The budget for the Breast and Cervical Cancer Screening Program was reduced by \$700,000 General Fund, which is expected to be adequate to fund their current caseload of about 225 clients per month. The Subcommittee noted that if either of these caseloads increases, the programs are expected to request additional funding in an agency rebalance later in the biennium. The medical marijuana revenues removed from CCare are used to replace General Fund in other programs in Public Health.

The Subcommittee approved \$500,000 General Fund for planning and assessment activities related to the implementation of House Bill 3100 and the modernization of public health. The recommended budget adds funding for the Patient Safety Commission to support additional outreach and education activities, and adds \$1.0 million General Fund for additional emergency preparedness and response. It restores the Tobacco Master Settlement Agreement funds which had been removed in the Governor's Budget, for tobacco prevention and cessation programs (\$4.1 million). Other Funds expenditure limitation was increased for the Tobacco Prevention and Education Program as a result of the May 2015 tobacco tax forecast. This program is funded at a total of \$15.6 million for the biennium.

The Subcommittee approved several fee increases. Package 407 Radiation Protection Fee and Cap Increase, was approved for \$0.6 million Other Funds expenditure limitation and three permanent positions (3.00 FTE) to replace the position reductions in Package 070. This was supported by fee revenue provided by Senate Bill 228 (2015), which makes statutory changes to radiation protection fees related to tanning beds, x-ray registration, and radioactive materials licensing.

The Subcommittee also approved Package 408 Ratification of Administrative Fee Increases, which increases Other Funds expenditure limitation by \$1.4 million and establishes three permanent positions (3.00 FTE) to replace the position reductions in Package 070. This was supported by increases in fees related to radioactive materials licensing and newborn screening test kits specific to tests for severe combined immunodeficiency (SCID) only. The fee increases allow these programs to be maintained at current levels. Senate Bill 5527 (2015) ratifies these fee increases. The recommended budget also increases Other Funds expenditure limitation for fee increases to maintain current program levels for drinking water services (\$1.3 million), vital records (\$1.7 million), and lead-based paint programs (\$147,865).

The recommended budget reduces General Fund and increases Other Funds expenditure limitation to reflect \$5 million excess in 2013-15 ending balance resources in the medical marijuana program. These resources will be used in place of General Fund in the per capita distributions to local public health programs. The Subcommittee expressed their expectation that this revenue source will be adequate to fund this program on an on-going basis. If that does not turn out to be the case, General Fund is intended to backfill this program, as well as other programs in Public Health where medical marijuana revenues have been used to replace General Fund. After this adjustment, the medical marijuana program is still expecting a 2013-15 ending balance of slightly over \$2.0 million. The Subcommittee also approved Package 501 Measure 91 Implementation, which increases Other Funds expenditure limitation by \$419,285 and establishes two permanent positions (2.00 FTE), supported by fee revenue, to accredit labs that will be testing marijuana and marijuana products.

Health Policy Programs

Health Policy Programs (HPP) includes offices providing policy support, technical assistance, and access to health information statistics and tools to all organizations and providers participating in Oregon's health system transformation, including programs within OHA. Together these offices provide services and support focused on achieving the triple aim of better health, better care, and lower costs. Part way through the 2013-15

biennium Health Policy Programs were moved out of Central Services into their own budget unit. Programs included within HPP include the Office of Health Policy and Research, the Office of Health Analytics, the OHA Transformation Center, the Office of Equity and Inclusion and the Office of Health Information Technology.

The Subcommittee approved a total funds budget of \$136,625,596 (\$18,710,336 General Fund, \$3,029,280 Other Funds, and \$114,885,980 Federal Funds) and 130 positions (124.66 FTE). This is a 0.7 percent increase over the 2013-15 Legislatively Approved Budget. The Subcommittee approved the following:

Package 082: December 2014 Emergency Board Actions, increasing General Fund by \$235,749 and total funds by \$444,304. During this rebalance, two permanent positions (2.00 FTE) were added to the Office of Equity and Inclusion for civil rights investigations.

Package 201: Real+D, provides \$634,672 General Fund and two permanent positions (2.00 FTE) 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 Department of Administrative Services is requested to unschedule all but \$140,000 of this funding. The Department is expected to report back to the Legislature in the Fall 2015, with a more detailed plan. The agency may then request funds to be re-scheduled based upon that report and given joint approval of the Office of the State Chief Information Officer, Chief Financial Office, and the Legislative Fiscal Office. It is expected that the department will be able to utilize capabilities from the Medicaid eligibility system it is putting into place, rather than designing this program from the ground up.

Package 402-2: Continue Transformation Center, provides \$1.0 million General Funds and \$2.1 million total funds to continue thirteen existing positions (4.94 FTE). This will continue the work of the Transformation Center by providing funding after the federal State Innovation Model grant ends in September 2016.

Package 402-3: Continue Office of Health Policy and Research, provides \$1.4 million General Fund and \$2.7 million total funds to continue eight existing positions (3.04 FTE). This package continues to fund the Office of Health Policy and Research, Health Analytics, and the office of the Chief Medical Officer after the federal State Innovation Model grant ends in September 2016.

The Subcommittee expressed their concerns regarding the staffing level of the Office of Equity and Inclusion, indicating that sustainable and adequate staffing in the Office is essential for OHA to meet its equity and inclusion goals. During the first rebalance of the biennium, the agency will report on its agency-wide reorganization and realignment of positions. As part of this, the agency will report specifically on the Office of Equity and Inclusion staffing plan to address the elimination of limited duration positions, identifying functions, priorities, and the alignment of positions within those functions.

Health Licensing Office

The Health Licensing Office (HLO) is a central licensing and regulatory office overseeing multiple health and related professions. This is a new office created within OHA per House Bill 2074 (2013), which transferred the previous Oregon Health Licensing Agency into OHA. The Office operates solely with Other Funds generated from fees. The Subcommittee approved an Other Funds budget of \$6,903,295 and 32 positions (32.00 FTE). The Subcommittee approved the transfer of three positions (3.00 FTE) from this division into Central and Shared Services.

Office of Private Health Partnerships

Most of the programs that this Office 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, which pays the costs for certain high-cost claims incurred through December of 2016. The Subcommittee approved a budget of \$701,884 Other Funds and \$103,500,000 Other Funds Nonlimited.

Central Services, Shared Services, and State Assessments and Enterprise-wide Costs

Core administrative functions for OHA are divided into three sections. Central Services includes all governance functions specifically for the operation of OHA, such as the director's office, communications, a portion of budget and human resources. Shared Services provides administrative services to both OHA and the Department of Human Services, regardless of where each function is housed. State Assessments and Enterprise-wide Costs includes the budget to pay for central government assessments and usage charges, as well as debt service. Included are state government service charges, risk assessments, State Data Center usage charges, and rent. This budget also includes the funding for Shared Services.

The Subcommittee approved budget is \$407,055,286 total funds (\$168,894,260 General Fund, \$162,687,961 Other Funds, \$71,549,093 Federal Funds and \$3,923,972 Federal Funds Nonlimited) and 539 positions (528.94 FTE). This is a 3.3 percent decrease from the 2013-15 Legislatively Approved Budget. The budget includes \$73.7 million total funds (\$69.7 General Fund) for debt service related to the State Hospital Replacement Project. A reduction of \$0.8 million General Fund incorporates the savings of assessments and shared services due to the delayed opening of two wards at the Junction City campus of the Oregon State Hospital.

Summary of Performance Measure Action

See attached Legislatively Adopted 2015-17 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5526-A

Oregon Health Authority
 Art Ayre -- 503-378-3108 & Tamara Brickman -- 503-378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at May 2015 *	\$1,933,995,531	\$10,592,532	\$4,173,752,201	\$1,904,711,565	\$9,575,251,558	\$106,880,067	\$17,705,183,454	4,532	4,143.41
2015-17 Current Service Level (CSL)*	\$2,862,916,600	\$10,923,154	\$2,869,943,521	\$1,859,287,088	\$9,599,471,616	\$106,653,023	\$17,309,195,002	4,530	4,479.45
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>	-\$750,163,939	\$369,410	\$2,806,978,697	-\$1,715,787,088	\$1,804,481,497	\$0	\$2,145,878,577	-153	-152.49
TOTAL ADJUSTMENTS	-\$750,163,939	\$369,410	\$2,806,978,697	-\$1,715,787,088	\$1,804,481,497	\$0	\$2,145,878,577	-153	-152.49
SUBCOMMITTEE RECOMMENDATION *	\$2,112,752,661	\$ 11,292,564	\$ 5,676,922,218	\$ 143,500,000	\$ 11,403,953,113	\$ 106,653,023	\$19,455,073,579	4,377	4,326.96
% Change from 2013-15 Leg Approved Budget	9.2%	6.6%	36.0%	-92.5%	19.1%	-0.2%	9.9%		
% Change from 2015-17 Current Service Level	-26.2%	3.4%	97.8%	-92.3%	18.8%	0.0%	12.4%		

*Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5526-A

Oregon Health Authority - Medical Assistance Programs
Tamara Brickman -- 503-378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at May 2015 *	\$1,001,520,202	\$0	\$2,180,918,663	\$0	\$8,760,150,153	\$0	\$11,942,589,018	498	489.85
2015-17 Current Service Level (CSL)*	\$1,852,327,029	\$0	\$886,015,451	\$0	\$8,909,693,375	\$0	\$11,648,035,855	528	519.85
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 020-01 - Medical Assistance Programs									
Pkg 082: December 2014 Emergency Board actions									
FQHC cost increases/new methodology	\$6,300,000	\$0	\$0	\$0	\$16,620,629	\$0	\$22,920,629		
Health insurer fee increase	\$4,616,550	\$0	\$0	\$0	\$19,253,924	\$0	\$23,870,474		
Cost per case impact	-\$31,000,287	\$0	-\$17,789,055	\$0	-\$168,569,079	\$0	-\$217,358,421		
Transfers	\$3,413,405	\$0	\$131,024	\$0	\$38,116,021	\$0	\$41,660,450	-1	-1.00
Pkg 090: Analyst adjustments									
Continue hospital assessment	-\$400,100,000	\$0	\$854,130,207	\$0	\$1,218,806,449	\$0	\$1,672,836,656		
Hospital assessment split transformation pool	-\$68,000,000	\$0	\$68,000,000	\$0	\$0	\$0	\$0		
Use carryover hospital assessment	-\$125,000,000	\$0	\$125,000,000	\$0	\$0	\$0	\$0		
Use all Tobacco Master Settlement Agreement (TMSA)	-\$13,000,000	\$0	\$13,000,000	\$0	\$0	\$0	\$0		
IMD increased match - A&D residential	-\$2,000,000	\$0	\$0	\$0	\$2,000,000	\$0	\$0		
Fund Psychiatric Emergency Services	\$263,000	\$0	\$0	\$0	\$737,000	\$0	\$1,000,000		
Pkg 801: LFO Analyst Adjustments									
TMSA adjustments	\$35,240,000	\$0	-\$35,240,000	\$0	\$0	\$0	\$0		
MAGI Transfer Project/eligibility staff	\$12,444,201	\$0	\$0	\$0	\$67,610,638	\$0	\$80,054,839		
Caseload forecast - Spring 2015	-\$83,900,460	\$0	-\$13,826,338	\$0	\$539,336,613	\$0	\$441,609,815		
Additional drug rebate revenue	-\$10,000,000	\$0	\$10,000,000	\$0	\$0	\$0	\$0		
FMAP match rate change	-\$22,915,342	\$0	\$0	\$0	\$22,915,342	\$0	\$0		
Additional hospital assessment carryforward	-\$20,000,000	\$0	\$20,000,000	\$0	\$0	\$0	\$0		
Add'l OF revenue, including hospital assess, drug rebate	-\$26,000,000	\$0	\$26,000,000	\$0	\$0	\$0	\$0		
Partially restore dental benefits	\$3,919,181	\$0	\$0	\$0	\$29,990,506	\$0	\$33,909,687		
Three add'l FQHCs to alternative payment methodology	\$1,103,000	\$0	\$0	\$0	\$3,215,000	\$0	\$4,318,000		
Tobacco tax forecast - May 2015	-\$14,088,000	\$0	\$14,088,000	\$0	\$0	\$0	\$0		
Technical adjustments and transfers	-\$1,916,225	\$0	-\$58,529,976	\$0	-\$7,438,905	\$0	-\$67,885,106	-11	-11.50
Adjustment to CSL for Attorney General rates	\$24,026	\$0	\$674	\$0	\$23,047	\$0	\$47,747		
TOTAL ADJUSTMENTS	-\$750,596,951	\$0	\$1,004,964,536	\$0	\$1,782,617,185	\$0	\$2,036,984,770	-12	-12.50
SUBCOMMITTEE RECOMMENDATION *	\$1,101,730,078	\$0	\$1,890,979,987	\$0	\$10,692,310,560	\$0	\$13,685,020,625	516	507.35

% Change from 2013-15 Leg Approved Budget	10.0%	0.0%	-13.3%	0.0%	22.1%	0.0%	14.6%		
% Change from 2015-17 Current Service Level	-40.5%	0.0%	113.4%	0.0%	20.0%	0.0%	17.5%		

*Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5526-A

Oregon Health Authority - Public Employees' Benefit Board
 Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at May 2015 *	\$0	\$0	\$1,626,049,752	\$0	\$0	\$0	\$1,626,049,752	20	19.50
2015-17 Current Service Level (CSL)*	\$0	\$0	\$1,644,093,309	\$0	\$0	\$0	\$1,644,093,309	19	18.50
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 020-02 -Public Employees Benefit Board									
Package 082: December 2014 E-Board actions	\$0	\$0	\$625,196	\$0	\$0	\$0	\$625,196	3	3.00
Package 801: LFO Analyst Adjustments									
Update budget to latest data	\$0	\$0	\$138,239,179	\$0	\$0	\$0	\$138,239,179	0	0.00
Adjustment to CSL for Attorney General rates	\$0	\$0	\$11,611	\$0	\$0	\$0	\$11,611	0	0.00
TOTAL ADJUSTMENTS	\$0	\$0	\$138,875,986	\$0	\$0	\$0	\$138,875,986	3	3.00
SUBCOMMITTEE RECOMMENDATION *	\$0	\$0	\$1,782,969,295	\$0	\$0	\$0	\$1,782,969,295	22	21.50
% Change from 2013-15 Leg Approved Budget	0.0%	0.0%	9.7%	0.0%	0.0%	0.0%	9.7%		
% Change from 2015-17 Current Service Level	0.0%	0.0%	8.4%	0.0%	0.0%	0.0%	8.4%		

*Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5526-A

Oregon Health Authority - Oregon Educators Benefit Board
 Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at May 2015 *	\$ -	\$ -	\$11,692,737	\$1,628,294,000	\$ -	\$ -	\$1,639,986,737	24	24.00
2015-17 Current Service Level (CSL)*	\$ -	\$ -	\$11,514,734	\$1,715,787,088	\$ -	\$ -	\$1,727,301,822	22	22.00
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 020-03 - Oregon Educators Benefit Board									
Package 082: December 2014 E-Board actions	\$ -	\$ -	\$287,548	\$0	\$ -	\$ -	\$287,548	1	1.00
Package 090: Switch Nonlimited to Limited expenditures	\$ -	\$ -	\$1,544,625,177	-\$1,715,787,088	\$ -	\$ -	-\$171,161,911		
Package 409: Transparency and engagement	\$ -	\$ -	\$450,000	\$0	\$ -	\$ -	\$450,000		
Package 801: LFO Analyst Adjustments									
Transfers	\$ -	\$ -	\$713,113	\$0	\$ -	\$ -	\$713,113	2	2.00
Adjustment to CSL for Attorney General rates	\$ -	\$ -	\$39,456	\$0	\$ -	\$ -	\$39,456		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$1,546,115,294	-\$1,715,787,088	\$ -	\$ -	-\$169,671,794	3	3.00
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$1,557,630,028	\$0	\$ -	\$ -	\$1,557,630,028	25	25.00
% Change from 2013-15 Leg Approved Budget	0.0%	0.0%	13221.3%	-100.0%	0.0%	0.0%	-5.0%		
% Change from 2015-17 Current Service Level	0.0%	0.0%	13427.3%	-100.0%	0.0%	0.0%	-9.8%		

*Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5526-A

Oregon Health Authority - Addictions & Mental Health
Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at May 2015 *	\$687,076,413	\$10,592,532	\$63,724,126	\$0	\$272,972,802	\$0	\$1,034,365,873	2,506	2,236.55
2015-17 Current Service Level (CSL)*	\$783,436,863	\$10,923,154	\$65,399,843	\$0	\$255,017,555	\$0	\$1,114,777,415	2,567	2,565.56
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 020-05 - Additions and Mental Health Program									
Pkg 081: September 2014 Emergency Board actions	\$6,153,914	\$0	\$0	\$0	\$0	\$0	\$6,153,914	1	1.00
Pkg 082: December 2014 Emergency Board actions	\$23,525,083	\$0	\$3,270,440	\$0	\$23,476,483	\$0	\$50,272,006		
Pkg 090: Analyst adjustments									
OSH - continue closure of gero ward	-\$8,890,341	\$0	\$0	\$0	-\$1,248,671	\$0	-\$10,139,012	-43	-43.00
Junction City - Keep 3 cottage and 2 wards closed	-\$30,169,124	\$0	-\$911,281	\$0	-\$860,515	\$0	-\$31,940,920	-140	-145.92
OSH - Increase Medicare revenues	-\$4,000,000	\$0	\$4,000,000	\$0	\$0	\$0	\$0		
Adjustment to Fall caseload pricing	-\$2,276,949	\$0	\$0	\$0	-\$404,669	\$0	-\$2,681,618		
Use tobacco tax to pay for rollup	-\$12,200,746	\$0	\$12,200,746	\$0	\$0	\$0	\$0		
Lottery forecast - May 2015	\$0	\$369,399	\$0	\$0	\$0	\$0	\$369,399		
Technical adjustments and transfers	-\$953,780	\$0	\$699,615	\$0	\$0	\$0	-\$254,165		
Pkg 401-1: Aid and Assist evaluations in community	\$4,056,901	\$0	\$0	\$0	\$0	\$0	\$4,056,901	1	0.83
Pkg 401-2: Mental health certification	\$859,620	\$0	\$0	\$0	\$0	\$0	\$859,620	4	4.00
Pkg 501: Measure 91 Implementation	\$0	\$0	\$2,277,236	\$0	\$0	\$0	\$2,277,236	2	2.00
Pkg 801: LFO Analyst Adjustments									
Caseload forecast adjustments	\$8,699,328	\$0	\$0	\$0	\$0	\$0	\$8,699,328		
Oregon State Hospital cost allocation	\$10,000,000	\$0	\$0	\$0	\$0	\$0	\$10,000,000		
FMAP match rate change	-\$136,825	\$0	\$0	\$0	\$136,825	\$0	\$0		
TMSA in place of GF for mental health services	-\$16,000,000	\$0	\$16,000,000	\$0	\$0	\$0	\$0		
Additional community mental health services	\$17,600,000	\$0	\$4,562,000	\$0	\$0	\$0	\$22,162,000		
Additional A&D treatment services	\$6,000,000	\$0	\$0	\$0	\$0	\$0	\$6,000,000		
Technical adjustments and transfers	-\$2,313,322	\$0	-\$107,658	\$0	-\$4,229,502	\$0	-\$6,650,482		
Adjustment to CSL for Attorney General rate	\$73,908	\$11	\$17,519	\$0	\$2,309	\$0	\$93,747		
TOTAL ADJUSTMENTS	\$27,667	\$369,410	\$42,008,617	\$0	\$16,872,260	\$0	\$59,277,954	-175	-181.09
SUBCOMMITTEE RECOMMENDATION *	\$783,464,530	\$11,292,564	\$107,408,460	\$0	\$271,889,815	\$0	\$1,174,055,369	2,392	2,384.47
% Change from 2013-15 Leg Approved Budget	14.0%	6.6%	68.6%	0.0%	-0.4%	0.0%	13.5%		
% Change from 2015-17 Current Service Level	0.0%	3.4%	64.2%	0.0%	6.6%	0.0%	5.3%		

*Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5526-A

Oregon Health Authority - Public Health
 Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at May 2015 *	\$40,217,433	\$0	\$88,608,993	\$40,000,000	\$253,022,418	\$102,729,051	\$524,577,895	726	700.17
2015-17 Current Service Level (CSL)*	\$42,682,993	\$0	\$89,746,717	\$40,000,000	\$250,561,052	\$102,729,051	\$525,719,813	703	685.92
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 020-06 - Public Health Program									
Pkg 070: Revenue shortfalls	\$0	\$0	-\$2,073,416	\$0	-\$151,299	\$0	-\$2,224,715	-6	-6.00
Pkg 081: September 2014 Emergency Board actions	\$0	\$0	\$1,462,991	\$0	\$0	\$0	\$1,462,991	4	4.00
Pkg 082: December 2014 Emergency Board actions	\$73,334	\$0	\$4,087,020	\$0	\$1,855,702	\$0	\$6,016,056	4	2.62
Pkg 090: Analyst adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Remove TMSA for tobacco prevention/cessation	\$0	\$0	-\$4,000,000	\$0	\$0	\$0	-\$4,000,000		
CCare budget true-up	-\$2,800,000	\$0	\$0	\$0	-\$9,900,000	\$0	-\$12,700,000		
Task force on Future of Public Health	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000		
Patient Safety Commission	\$302,000	\$0	\$0	\$0	\$0	\$0	\$302,000		
Emergency preparedness and response	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$1,000,000		
Pkg 407 Radiation protection fee & cap increase	\$0	\$0	\$593,755	\$0	\$0	\$0	\$593,755	3	3.00
Pkg 408 Ratification of administrative fee increases	\$0	\$0	\$1,436,336	\$0	\$0	\$0	\$1,436,336	3	3.00
Pkg 501 M91 implementation	\$0	\$0	\$419,285	\$0	\$0	\$0	\$419,285	2	2.00
Pkg 801: LFO Analyst Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Additional medical marijuana money	-\$5,000,000	\$0	\$5,000,000	\$0	\$0	\$0	\$0		
Restore partial GF to CCare	\$1,525,000	\$0	\$0	\$0	\$0	\$0	\$1,525,000		
Marijuana money freed up from CCare GF add	-\$1,525,000	\$0	\$1,525,000	\$0	\$0	\$0	\$0		
Breast and Cervical Cancer Screening true-up	-\$700,000	\$0	\$0	\$0	\$0	\$0	-\$700,000		
Replace TMSA for tobacco prevention/cessation	\$0	\$0	\$4,120,000	\$0	\$0	\$0	\$4,120,000		
Fee increases - water, vital records, lead paint	\$0	\$0	\$3,090,007	\$0	\$0	\$0	\$3,090,007		
TURA forecast	\$0	\$0	\$494,251	\$0	\$0	\$0	\$494,251		
Technical adjustments and transfers	\$3,892,137	\$0	\$58,689,417	\$0	\$10,944,540	\$0	\$73,526,094	8	8.50
Adjustment to CSL for Attorney General rate	\$2,993	\$0	\$20,665	\$0	\$7,670	\$0	\$31,328		
TOTAL ADJUSTMENTS	-\$2,729,536	\$0	\$74,865,311	\$0	\$2,756,613	\$0	\$74,892,388	18	17.12
SUBCOMMITTEE RECOMMENDATION *	\$39,953,457	\$0	\$164,612,028	\$40,000,000	\$253,317,665	\$102,729,051	\$600,612,201	721	703.04
% Change from 2013-15 Leg Approved Budget	-0.7%	0.0%	85.8%	0.0%	0.1%	0.0%	14.5%		
% Change from 2015-17 Current Service Level	-6.4%	0.0%	83.4%	0.0%	1.1%	0.0%	14.2%		

*Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5526-A

Oregon Health Authority - Health Policy Programs
 Tamara Brickman -- 503-378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at May 2015 *	\$44,261,932	\$0	\$3,685,699	\$0	\$87,670,492	\$0	\$135,618,123	130	122.87
2015-17 Current Service Level (CSL)*	\$15,436,692	\$0	\$2,971,438	\$0	\$112,336,464	\$0	\$130,744,594	126	112.68
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 020-08 - Health Policy Programs									
Pkg 082: December 2014 Emergency Board Actions	\$235,749	\$0	\$57,829	\$0	\$150,726	\$0	\$444,304	2	2.00
Pkg 201 REaL+D	\$634,672	\$0	\$0	\$0	\$0	\$0	\$634,672	2	2.00
Pkg 402-2 Continue Transformation Center	\$1,042,899	\$0	\$0	\$0	\$1,040,051	\$0	\$2,082,950	0	4.94
Pkg 402-3 Continue Office of Health Policy and Research	\$1,360,029	\$0	\$0	\$0	\$1,358,444	\$0	\$2,718,473	0	3.04
Pkg 801: LFO Analyst Adjustments									
Adjustment to CSL for Attorney General rate	\$295	\$0	\$13	\$0	\$295	\$0	\$603		
TOTAL ADJUSTMENTS	\$3,273,644	\$0	\$57,842	\$0	\$2,549,516	\$0	\$5,881,002	4	11.98
SUBCOMMITTEE RECOMMENDATION *	\$18,710,336	\$0	\$3,029,280	\$0	\$114,885,980	\$0	\$136,625,596	130	124.66
% Change from 2013-15 Leg Approved Budget	-57.7%	0.0%	-17.8%	0.0%	31.0%	0.0%	0.7%		
% Change from 2015-17 Current Service Level	21.2%	0.0%	1.9%	0.0%	2.3%	0.0%	4.5%		

*Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5526-A

Oregon Health Authority - Health Licensing Office
 Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at May 2015 *	\$0	\$0	\$3,957,176	\$0	\$0	\$0	\$3,957,176	35	17.50
2015-17 Current Service Level (CSL)*	\$0	\$0	\$7,374,784	\$0	\$0	\$0	\$7,374,784	35	35.00
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 020-07 - Health Licensing Office									
Pkg 801: LFO Analyst Adjustments									
Transfers	\$0	\$0	-\$501,946	\$0	\$0	\$0	-\$501,946	-3	-3.00
Adjustments to CSL for Attorney General Rate	\$0	\$0	\$30,457	\$0	\$0	\$0	\$30,457		
TOTAL ADJUSTMENTS	\$0	\$0	-\$471,489	\$0	\$0	\$0	-\$471,489	-3	-3.00
SUBCOMMITTEE RECOMMENDATION *	\$0	\$0	\$6,903,295	\$0	\$0	\$0	\$6,903,295	32	32.00
% Change from 2013-15 Leg Approved Budget	0.0%	0.0%	74.5%	0.0%	0.0%	0.0%	74.5%		
% Change from 2015-17 Current Service Level	0.0%	0.0%	-6.4%	0.0%	0.0%	0.0%	-6.4%		

*Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5526-A

Oregon Health Authority - Office of Private Health Partnerships
 Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at May 2015 *	\$1,744,317	\$0	\$22,736,127	\$236,417,565	\$116,408,573	\$0	\$377,306,582	62	15.67
2015-17 Current Service Level (CSL)*	\$0	\$0	\$701,884	\$103,500,000	\$0	\$0	\$104,201,884	0	0.00
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 020-04 - Private Health Partnerships									
TOTAL ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0.00
SUBCOMMITTEE RECOMMENDATION *	\$0	\$0	\$701,884	\$103,500,000	\$0	\$0	\$104,201,884	0	0.00
% Change from 2013-15 Leg Approved Budget	-100.0%	0.0%	-96.9%	-56.2%	-100.0%	0.0%	-72.4%		
% Change from 2015-17 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		

*Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5526-A

Oregon Health Authority - Central, Shared Services, State Assessments & Enterprise-wide Costs
Tamara Brickman -- 503-378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at May 2015 *	\$159,175,234	\$0	\$172,378,928	\$0	\$85,027,120	\$4,151,016	\$420,732,298	531	517.30
2015-17 Current Service Level (CSL)*	\$169,033,023	\$0	\$162,125,361	\$0	\$71,863,170	\$3,923,972	\$406,945,526	530	519.94
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCRs 010-040, 010-45, 010-050 - Central, Shared Services, SAEC									
Pkg 082: December 2014 Emergency Board actions	\$1,292,087	\$0	\$74,462	\$0	\$130,089	\$0	\$1,496,638	2	2.00
Pkg 090: Analyst Adjustments - phase in opening Junction City wards (Keep 3 cottage and 2 wards closed)	-\$784,716	\$0	\$0	\$0	\$0	\$0	-\$784,716		
Pkg 801: LFO Analyst Adjustments									
Realign positions in Performance Excellence program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	4	4.00
Technical adjustments and transfers	\$147,360	\$0	\$698,708	\$0	\$171,484	\$0	\$1,017,552	3	3.00
Adjustment to CSL for AG and state assessments	-\$793,494	\$0	-\$210,570	\$0	-\$615,650	\$0	-\$1,619,714		
TOTAL ADJUSTMENTS	-\$138,763	\$0	\$562,600	\$0	-\$314,077	\$0	\$109,760	9	9.00
SUBCOMMITTEE RECOMMENDATION *	\$168,894,260	\$0	\$162,687,961	\$0	\$71,549,093	\$3,923,972	\$407,055,286	539	528.94
% Change from 2013-15 Leg Approved Budget	6.1%	0.0%	-5.6%	0.0%	-15.9%	-5.5%	-3.3%		
% Change from 2015-17 Current Service Level	-0.1%	0.0%	0.3%	0.0%	-0.4%	0.0%	0.0%		

*Excludes Capital Construction Expenditures

Legislatively Approved 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:

Approved the LFO recommendation.