

**Legislative
Fiscal Office**

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**Joint Committee on
Ways and Means**

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Rep. Greg Smith, House Co-Vice Chair

To: Human Services Subcommittee

From: Linda Ames, Legislative Fiscal Office

Date: June 7, 2017

Subject: HB 5026 – Oregon Health Authority - Health Policy and Analytics
Work Session Recommendations

Oregon Health Authority – Health Policy and Analytics

	2013-15 Actual	2015-17 Legislatively Approved	2017-19 Current Service Level	2017-19 LFO Recommended
General Fund	44,366,971	24,738,944	27,344,901	28,041,902
Other Funds	3,086,448	9,619,843	3,655,137	20,135,775
Federal Funds	91,491,370	123,584,268	100,881,847	107,659,714
Total Funds	\$138,944,789	\$157,943,055	\$131,881,885	\$155,837,391
Positions	119	137	144	144
FTE	114.07	131.49	138.15	138.15

Attached are the recommendations from the Legislative Fiscal Office for the Oregon Health Authority - Health Policy and Analytics. The LFO recommended total funds budget is 1.3% lower than the 2015-17 legislatively approved budget. Increases in Other Funds limitation from fees related to the Oregon Common Credentialing system is more than offset by a reduction in federal grant funding. The General Fund budget has increased by 13.4%, primarily from using General Fund to replace a portion of the federal funding from the State Innovation Models (SIM) grant in the Transformation Center. That funding ended in September 2016. The recommended budget includes the following:

- New fees to support the cost of administering the Oregon Common Credentialing Program. Total Other Funds expenditure limitation is \$13.8 million.
- \$500,000 General Fund, which will leverage \$4.5 million Federal Funds, to support Medicaid providers to connect to health information exchange (HIE) entities. In 2016, federal funding at a 90% federal match became available for this purpose.

Adjustments to Current Service Level

See attached "HB 5026 Work Session " spreadsheet.

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

LFO recommends the Subcommittee approve a 2017-19 OHA Health Policy and Analytics preliminary budget of:

\$ 28,041,902	General Fund
\$ 20,135,775	Other Funds
\$ 107,659,714	Federal Funds

144 Positions
138.15 FTE

Accept LFO Recommendation:

MOTION: I move the LFO recommendation to HB 5026. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to HB 5026, with modifications. (VOTE)

Performance Measures

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

Recommended Changes

The Health Policy and Analytics budget is part of HB 5026, which is the budget bill for the entire Oregon Health Authority. The recommended amendments to HB 5026 will be presented after work sessions are completed on all parts of the budget.

**OREGON HEALTH AUTHORITY: HEALTH POLICY AND ANALYTICS
2017-19 RECOMMENDED BUDGET**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
2015-17 Legislatively Approved Budget (As of June 2017)	24,738,944	-	9,619,843	123,584,268	-	-	157,943,055	137	131.49	
2017-19 Current Service Level	27,344,901	-	3,655,137	100,881,847	-	-	131,881,885	144	138.15	
2017-19 Governor's Budget	31,195,449	-	19,358,455	101,106,925	-	-	151,660,829	146	140.15	
2017-19 LFO RECOMMENDED BUDGET	28,041,902	-	20,135,775	107,659,714	-	-	155,837,391	144	138.15	

2017-19 WORKING BUDGET ADJUSTMENTS DETAIL

1	2017-19 Current Service Level Estimate	27,344,901	-	3,655,137	100,881,847	-	-	131,881,885	144	138.15	
2	LFO Recommendations of Existing Packages										
3	Pkg 095: December 2016 EBoard actions										
4	Technical adjustments and transfers	523,271	-	2,700,873	495,652	-	-	3,719,796	2	2.00	
5	Pkg 409 OHA Fee Changes	-	-	13,814,870	-	-	-	13,814,870	-	-	Common Credentialing Program
6											
7	Other Recommended Adjustments										
8	Pkg 801: LFO Analyst Adjustments										
9	Health Information Exchange onboarding	500,000	-	-	4,500,000	-	-	5,000,000	-	-	
10	Administrative reductions	(1,218,686)		(26,427)	(229,839)			(1,474,952)	-	-	
11	Technical adjustments and transfers	1,021,832	-	(8,678)	2,141,000	-	-	3,154,154	-	-	
12	Pkg 812: Vacant Position Elimination	(129,416)	-	-	(128,946)	-	-	(258,362)	(2)	(2.00)	
13											
14	Total Adjustments from CSL	697,001	-	16,480,638	6,777,867	-	-	23,955,506	-	-	
15											
16	TOTAL 2017-19 Recommended Budget	28,041,902	-	20,135,775	107,659,714	-	-	155,837,391	144	138.15	
17											
18	Change from 2015-17 Approved	3,302,958	-	10,515,932	(15,924,554)	-	-	(2,105,664)	7	6.66	
19	Change from 2017-19 CSL Estimate	697,001	-	16,480,638	6,777,867	-	-	23,955,506	-	-	
20	Change from 2017-19 Governor's Budget	(3,153,547)	-	777,320	6,552,789	-	-	4,176,562	(2)	(2.00)	
21											
22	% Change from 2015-17 Approved	13.4%		109.3%	-12.9%			-1.3%	5.1%	5.1%	
23	% Change from 2017-19 CSL Estimate	2.5%		450.9%	6.7%			18.2%	0.0%	0.0%	
24	% Change from 2017-19 Governor's Budget	-10.1%		4.0%	6.5%			2.8%	-1.4%	-1.4%	