

**Legislative
Fiscal Office**

Oregon State Capitol
900 Court Street NE, H-178
Salem, OR 97301
503-986-1828

Ken Rocco, Legislative Fiscal Officer
Paul Siebert, Deputy Fiscal Officer



**Joint Committee on
Ways and Means**

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To: Human Services Subcommittee
From: Linda Ames, Legislative Fiscal Office
Date: June 8, 2017
Subject: HB 5026 – Oregon Health Authority
Work Session Recommendations

Oregon Health Authority – Agency Totals

	2013-15 Actual	2015-17 Legislatively Approved	2017-19 Current Service Level	2017-19 LFO Recommended
General Fund	1,933,379,158	2,158,369,827	3,190,659,426	2,198,573,066
Lottery Funds	10,591,632	11,348,753	12,456,604	12,461,733
Other Funds	3,885,646,674	6,138,031,417	5,733,331,142	6,582,313,697
Other Funds NL	1,521,434,616	273,000,902	40,000,000	40,000,000
Federal Funds	9,259,417,064	11,448,264,704	11,613,394,315	10,922,831,459
Federal Funds NL	101,837,124	106,853,023	106,448,361	106,448,361
Total Funds	\$16,712,306,268	\$20,135,868,626	\$20,696,289,848	\$19,862,628,316
Positions	4,548	4,454	4,780	4,571
FTE	4,112.29	4,394.82	4,741.84	4,531.60

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 the Subcommittee has already approved for the agency. The total funds budget is 1.4% lower than the 2015-17 legislatively approved budget, while the General Fund increases by 1.9%, or \$40.2 million.

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.

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

See attached “Legislatively Proposed 2017-19 Key Performance Measures.”

Accept LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. (VOTE)

Budget Notes

#1 Budget Note: Governance Model for Behavioral Health

The Oregon Health Authority shall work with coordinated care organizations, County Mental Health Programs, local Public Health, local mental health authorities, and others, within each geographic area, to create a single plan of shared accountability for behavioral health system coordination that builds on existing structures and partnerships and fosters further innovation and collaboration with other organizations, by July of 2018. The agency shall provide a progress report to the Joint Committee on Ways and Means during the 2018 legislative session, and a final report to the Legislature by December of 2018 on each region’s governance model and plan for shared accountability.

#2 Budget Note: Rates for Mental Health Residential Services

The Oregon Health Authority shall conduct a rate analysis, including but not limited to provider costs as well as expected revenues from billing for rehabilitative services. The agency shall report to the Interim Joint Committee on Ways and Means by November 30, 2017 with a proposed plan for a standard rate or set of rates, a proposed schedule to move all providers to these rates, an analysis of the cost, and plans for funding both the Medicaid

and non-Medicaid components. The plan should prioritize increasing rates for providers with the greatest disparity in rates, that is, providers who receive the lowest rates compared to more recent providers who typically receive higher rates. Contingent on available funding, the agency will implement at least the first phase of the plan beginning January 1, 2018. If the agency is unable to fully fund the plan within their existing budget, they should request additional funding during the 2018 legislative session.

Accept LFO Recommendation:

MOTION: I move the LFO recommendation on Budget Notes. (VOTE)

OR

Change LFO Recommendation (any changes must be approved by the co-chairs):

MOTION: I move the LFO recommendation on Budget Notes, with modifications. (VOTE)

Recommended Changes

LFO recommends a budget of \$2,198,573,066 General Fund, \$12,461,733 Lottery Funds, \$6,582,313,697 Other Funds, \$10,922,831,459 Federal Funds, and 4,571 positions (4,531.60 FTE), which is reflected in the -1 amendment.

MOTION: I move adoption of the -1 amendment to HB 5026. (VOTE)

Final Subcommittee Action

LFO recommends that HB 5026, as amended by the -1 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 5026, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

Legislatively Proposed 2017 - 2019 Key Performance Measures

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Agency: Oregon Health Authority

Mission Statement:

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	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
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	37.50%	40.20%	TBD
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	18.40%	11%	TBD
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	75.30%	72%	TBD
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		Approved	61.10%	54%	TBD
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		Approved	68.90%	65%	TBD
7. 30 DAY ILLICIT DRUG USE AMONG 6TH GRADERS - Percentage of 6th graders who have used illicit drugs in the past 30 days.		Approved	1.70%	1.30%	1.30%
8. 30 DAY ALCOHOL USE AMONG 6TH GRADERS - Percentage of 6th graders who have used alcohol in the past 30 days.		Approved	4%	3.50%	3%
9. 30 DAY ILLICIT DRUG USE AMONG 8TH GRADERS - Percentage of 8th graders who have used illicit drugs in the past 30 days.		Approved	7.90%	7%	6%
10. 30 DAY ALCOHOL USE AMONG 8TH GRADERS - Percentage of 8th graders who have used alcohol in the past 30 days.		Approved	15.40%	14%	13%
11. 30 DAY ILLICIT DRUG USE AMONG 11TH GRADERS - Percentage of 11th graders who have used illicit drugs in the past 30 days.		Approved	19.60%	18%	16.50%
12. 30 DAY ALCOHOL USE AMONG 11TH GRADERS - Percentage of 11th graders who have used alcohol in the past 30 days.		Approved	29.80%	28%	26%
13. PRENATAL CARE (POPULATION) - Percentage of women who initiated prenatal care in the first 3 months of pregnancy.		Approved	79%	91%	TBD
14. PRENATAL CARE (MEDICAID) - Percentage of women who initiated prenatal care within 42 days of enrollment.		Approved	84.70%	91%	TBD

Legislatively Proposed KPMS	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
15. PATIENT CENTERED PRIMARY CARE HOME (PCPCH) ENROLLMENT - Number of members enrolled in patient-centered primary care homes by tier.		Approved	87.50%	100%	TBD
19. ACCESS TO CARE - Percentage of members who responded "always" or "usually" too getting care quickly (composite for adult and child).		Approved	83.80%	87.50%	TBD
20. MEMBER EXPERIENCE OF CARE - Composite measurement: how well doctors communicate; health plan information and customer service (Medicaid population).		Approved	85.40%	90%	TBD
22. RATE OF TOBACCO USE (POPULATION) - Rate of tobacco use among adults.		Approved	20.60%	16%	15%
23. RATE OF TOBACCO USE (MEDICAID) - Percentage of CCO enrollees who currently smoke cigarettes or use tobacco every day or some days.		Approved	30.10%	25%	TBD
24. RATE OF OBESITY (POPULATION) - Percentage of adults who are obese among Oregonians.		Approved	29.20%	28%	27%
25. EFFECTIVE CONTRACEPTIVE USE (POPULATION) - Percentage of reproductive age women who are at risk of unintended pregnancy using an effective method of contraception.		Approved	68.40%	69%	70%
26. EFFECTIVE CONTRACEPTIVE USE (MEDICAID) - Percentage of reproductive age women who are at risk of unintended pregnancy using an effective method of contraception.		Approved	68%	58.20%	TBD
27. FLU SHOTS (POPULATION) - Percentage of adults ages 50-64 who receive a flu vaccine.		Approved	36.10%	57%	70%
28. CHILD IMMUNIZATION RATES (POPULATION) - Percentage of children who are adequately immunized (immunization series 4:3:1:3:3:1:4).		Approved	70%	80%	80%
29. CHILD IMMUNIZATION RATES (MEDICAID) - Percentage of children who are adequately immunized (immunization series 4:3:1:3:3:1:4).		Approved	70.70%	82%	TBD
30. 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	8.60%	10.50%	TBD
33. CUSTOMER SERVICE - 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	No Data	95%	95%
	Accuracy		No Data	95%	95%
	Availability of Information		No Data	95%	95%
	Expertise		No Data	95%	95%
	Helpfulness		No Data	95%	95%
	Timeliness		No Data	95%	95%
4. MENTAL, PHYSICAL, AND DENTAL HEALTH ASSESSMENTS FOR CHILDREN IN DHS CUSTODY - Percentage of children in DHS custody who receive a mental, physical, and dental health assessment within 60 days of the state notifying CCOs that the children were placed into custody with DHS (foster care).		Proposed New	No Data	TBD	TBD
16. PQI 01: Diabetes Short-Term Complication Admission Rate		Proposed New	No Data	139	138
17. PQI 05: COPD or Asthma in Older Adults Admission Rate		Proposed New	No Data	408	404

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
18. PQI 08: Congestive Heart Failure Admission Rate		Proposed New	No Data	232	230
19. PQI 15: Asthma in Younger Adults Admission Rate		Proposed New	No Data	48	47.50
21. MEMBER HEALTH STATUS - Percentage of CAHPS survey respondents with a positive self-reported rating of overall health (excellent, very good, or good).		Proposed New	No Data	TBD	TBD
31. ELIGIBILITY PROCESSING TIME - Median number of days processing time from date of request to eligibility determination.		Proposed New	No Data	35	31
32. OHP MEMBERS IN CCOs - Percent of Oregon Health Plan members enrolled in Coordinated Care Organizations.		Proposed New	No Data	85%	88%
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.		Proposed Delete	58.40%	90%	TBD
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.		Proposed Delete	1,031.80	TBD	TBD
19. MEMBER HEALTH STATUS - Percentage of CAHPS survey respondents with a positive self-reported rating of overall health (excellent, very good).		Proposed Delete	35.20%	33%	TBD
25. RATE OF OBESITY (MEDICAID) - Percentage of Medicaid population who are obese.		Proposed Delete	38.20%	41%	TBD
29. FLU SHOTS (MEDICAID) - Percentage of adults ages 50-64 who receive a flu vaccine.		Proposed Delete	37%	57%	TBD

LFO Recommendation:

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

The agency is proposing to change the way they measure KPM 26 (Contraceptive - Medicaid) and KPM 29 (Immunization - Medicaid) to use a claims-based measure developed for use as a CCO incentive measure. The data and targets should be updated and reported to LFO when available.

The Metrics and Scoring Committee sets the official targets for a number of these measures. The 2019 targets, as well as targets for new measures, should be reported to LFO when available.

KPM 31 Eligibility Processing Time and KPM 32 OHP Members in CCOs may need minor adjustments as the agency finalizes data and methodology for measurement. Any changes should be reported to LFO.

SubCommittee Action:

OREGON HEALTH AUTHORITY
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)	2,158,369,827	11,348,753	6,138,031,417	11,448,264,704	273,000,902	106,853,023	20,135,868,626	4,454	4,394.82	
2017-19 Current Service Level	3,190,659,426	12,456,604	5,733,331,142	11,613,394,315	40,000,000	106,448,361	20,696,289,848	4,780	4,741.84	
2017-19 Governor's Budget	2,167,928,460	12,322,109	6,563,470,971	11,542,692,387	40,000,000	106,446,717	20,432,860,644	4,749	4,540.26	
2017-19 LFO RECOMMENDED BUDGET	2,198,573,066	12,461,733	6,582,313,697	10,922,831,459	40,000,000	106,448,361	19,862,628,316	4,571	4,531.60	
Health Systems Division	1,438,453,274	12,230,163	2,570,401,306	10,473,030,258	-	-	14,494,115,001	765	756.10	
Health Policy and Analytics	28,041,902	-	20,135,775	107,659,714	-	-	155,837,391	144	138.15	
PEBB	-	-	1,966,743,652	-	-	-	1,966,743,652	19	18.50	
OEBB	-	-	1,628,931,192	-	-	-	1,628,931,192	19	19.00	
Public Health	57,418,481	-	150,322,819	237,164,476	40,000,000	102,729,051	587,634,827	749	732.16	
Oregon State Hospital	454,869,747	-	66,196,851	35,475,733	-	-	556,542,331	2,289	2,282.95	
Central/Shared/Assessments	152,079,492	231,570	179,582,102	69,501,278	-	-	401,394,442	586	584.74	
Debt Service	67,710,170	-	-	-	-	3,719,310	71,429,480	-	-	
TOTAL 2017-19 OHA RECOMMENDED BUDGET	2,198,573,066	12,461,733	6,582,313,697	10,922,831,459	40,000,000	106,448,361	19,862,628,316	4,571	4,531.60	
Change from 2015-17 Approved	40,203,239	1,112,980	444,282,280	(525,433,245)	(233,000,902)	(404,662)	(273,240,310)	117	136.78	
Change from 2017-19 CSL Estimate	(992,086,360)	5,129	848,982,555	(690,562,856)	-	-	(833,661,532)	(209)	(210.24)	
Change from 2017-19 Governor's Budget	30,644,606	139,624	18,842,726	(619,860,928)	-	1,644	(570,232,328)	(178)	(8.66)	
% Change from 2015-17 Approved	1.9%	9.8%	7.2%	-4.6%	-85.3%	-0.4%	-1.4%	2.6%	3.1%	
% Change from 2017-19 CSL Estimate	-31.1%	0.0%	14.8%	-5.9%	0.0%	0.0%	-4.0%	-4.4%	-4.4%	
% Change from 2017-19 Governor's Budget	1.4%	1.1%	0.3%	-5.4%	0.0%	0.0%	-2.8%	-3.7%	-0.2%	