

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

Sen. Richard Devlin, Senate Co-Chair
Rep. Nancy Nathanson, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair
Sen. Jackie Winters, Senate Co-Vice Chair
Rep. Dan Rayfield, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Ways and Means Full Committee
From: Human Services Subcommittee
Re: HB 5026 Oregon Health Authority

Senator Steiner Hayward: “HB 5026 is the budget bill for the Oregon Health Authority. The agency’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. Programs provide medical coverage to low-income individuals and families, and to public employees; offer treatment services to persons with mental illness, and alcohol or drug addictions; and regulate the state’s public health system.

The Human Services Subcommittee approved a total budget of \$19.9 billion, including \$2.2 billion General Fund, \$12.5 million Lottery Funds, \$6.6 billion Other Funds expenditure limitation, \$10.9 billion Federal Funds expenditure limitation and 4,571 positions. General Fund increases 1.9%, or \$40.2 million, over 2015-17 levels. This small increase is made possible by the revenues that are included in this budget, that are dependent on the passage of HB 2391. The total funds budget is 1.4% less than the 2015-17 budget, primarily because of lower Medicaid caseloads.

General Fund need is reduced by \$599.4 million as a result of new Other Funds revenues included to fund the Oregon Health Plan. Changes include: an increase in the hospital assessment rate to 6% for larger hospitals; a new hospital assessment for rural hospitals at 4%; OHSU is removed from the hospital assessment program and instead will participate in a separate intergovernmental transfer program; and a new insurer premium assessment at 1.5%.

The budget funds the existing level of health care benefits for the Oregon Health Plan. Inflationary increases for both CCOs and fee-for-service are reduced. Cost growth for the Public Employees' Benefit Board and the Oregon Educators Benefit Board continues to be capped at 3.4% per employee per year. The budget makes investments in community mental health programs and in public health, and maintains both the Salem and Junction City campuses of the Oregon State Hospital at current capacity.

Two new Key Performance Measures were added to track the agency's progress in moving Oregon Health Plan members from fee-for-service to CCOs, and in speeding up the process for eligibility determinations and renewals.

The Human Services Subcommittee recommends HB 5026 be amended by the –1 amendment and be reported out do pass, as amended.”