

## Analysis

### Item 16: Oregon Health Authority

#### Position Requests

---

**Analyst:** Tom MacDonald

**Request:** Increase General Fund by \$137,992, increase the Other Funds expenditure limitation by \$735,200, increase the Federal Funds expenditure limitation by \$361,313, establish 49 positions (31.46 FTE), and convert 17 permanent part-time positions to full-time positions through an increase of 6.05 FTE, to address staffing issues across programs.

**Analysis:** The Oregon Health Authority (OHA) requests various adjustments to position authority and FTE counts across programs related to establishing new positions, converting contractual and other staff to full-time state positions, and increasing the status of part-time positions to full-time. These actions would necessitate an increase to General Fund of \$137,992 and increases to Other and Federal Funds expenditure limitations for the partial biennial implementation of these actions in 2019-21.

OHA did not request funding for many of these position actions in 2019-21 and in some cases recognized potential savings from reductions in services and supplies expenditures. However, as discussed in this analysis, the approval of many of these positions would result in roll-up costs in the 2021-23 biennium above any savings identified by the agency. Due to other General Fund issues identified by the agency in separate requests, the Legislative Fiscal Office recommends deferring the position requests with a potential General Fund impact to the 2020 legislative session, as well as a position requested for the Public Employees' Benefit Board.

#### Oregon State Hospital – 40 positions, 25.68 FTE

OHA proposes to convert contractual staff, limited-duration positions, or double-filled positions to permanent full-time state positions at the Oregon State Hospital, resulting in an increase of 40 budgeted positions. The hospital currently pays for the existing contractual and other positions out of its budget for services and supplies. While the agency did not propose funding to support these actions in 2019-21, the approval of many of the positions, as discussed below, would result in estimated roll-up costs of \$5.4 million General Fund in the 2021-23 biennium.

Of the 40 positions, 35 represent direct psychiatric care and other staff, including 19 psychiatrists, four psychiatrist supervisors, five medical assistants, three custodians, two chaplains, one psychologist, and one cook. According to the agency, the State Hospital has had to bring these non-budgeted positions online to meet the needs of patient care. In a separate letter addressing other State Hospital challenges, OHA recognizes net savings of \$1.5 million General Fund in 2019-21 based on the difference between the hospital's amount of contractual services budget currently funding these positions versus the cost of funding these positions as permanent state employees. However, these positions have estimated roll-up costs of \$5.4 million General Fund in 2021-23 based on the number of months they are priced in 2019-21.

The remaining five positions, which include four occupational therapists and one office specialist, represent the Person Directed Transition Team (PDTT). The hospital established the PDTT in 2015-17

by using contractual staff to help civilly committed patients successfully transition to community settings. To fund other challenges, the hospital has repurposed the funding supporting these contractual services and has requested \$0.9 million General Fund as part of a separate request letter to pay for the cost of converting the contractual roles to permanent state positions.

#### Public Health Division – 7 positions, 4.15 FTE

OHA requests authority to establish seven positions and increase Other Funds expenditure limitation by \$452,879 and Federal Funds expenditure limitations by \$338,964 in the Public Health Division. Available program fee and federal grant revenues have been identified by the agency to support all positions costs, including future roll-up costs, on an on-going basis. Of the seven positions, five are requested across multiple foundational programs to address the following:

- Immunization Program: One Operations and Policy Analyst 3 to increase the program's ability to provide subject matter expertise and effectively share immunization data with program partners.
- Acute and Communicable Disease Program: One Operations and Policy Analyst 3 to support the interoperability between the agency, Centers for Disease Control and Prevention, and local public health and clinical and laboratory partners.
- Public Health Laboratory: One Public Health Nurse 2 to work with clinicians to interpret newborn screening data to ensure the timely follow-up for appropriate newborn treatments.
- HIV, STD, TB Program: One Program Analyst 1 to provide case management services for Douglas, Coos, Curry, and Josephine counties; and one Quality Assurance and Policy Analyst 4 to provide statewide leadership to increase access to HIV and STD testing and help ensure access to prevention and treatment services.

The remaining two positions represent the transfer of Health Preparedness Program functions from Multnomah County to the Public Health Division. This federally-funded program was established in 2003 to strengthen the country's ability to protect people from modern health security threats. At the time, OHA was the program's fiscal agent and seven statewide regions were established to carry out the work by non-state employees. Since then, declines in program funding prompted the work being done by six of the seven regions to transfer to Public Health, with Multnomah County maintaining its regional status and two positions funded by the program's federal revenue. The county has now requested to end its regional status by transferring the two positions to the agency, effective July 1, 2020.

#### Health Systems Division (HSD) – 6.05 FTE

OHA requests to convert 17 permanent part-time positions to full-time in HSD, resulting in an increase of 6.05 FTE. Many of these positions were originally established as full-time positions, with subsequent agency action converting them to part-time. For 2019-21, the agency would support the cost of the conversions with its existing services and supplies budget. However, the roll-up costs in 2021-23 would total \$1.2 million, of which over half is General Fund.

#### Public Employees' Benefit Board (PEBB) – 1 position, 1.00 FTE

OHA requests authority for one position and \$0.3 million in Other Funds expenditure limitation to establish a Wellness Manager position in PEBB, which mirrors a request previously not supported by the Legislature. Executive Order 17-01 directed PEBB to appoint this position to work on state employee wellness initiatives. PEBB hired the position as a double-fill in 2017 and pays for it out of its services and supplies budget.

OHA previously requested approval for this position establishment and related expenditure limitation as part of the agency's 2017-19 legislatively adopted budget, which was not supported. Without the requested position authority or expenditure limitation, the agency intends to keep supporting the position as a double-fill. As an alternative to the double-fill or the resubmission of similar requests, the agency could explore ways to manage the state employee wellness initiative as a net-zero budget adjustment, such as reclassifying a vacant position.

Central Services – 1 position, 0.63 FTE

OHA requests one Operations and Policy Analyst 4 and \$137,992 General Fund to support the Budget Section's ability to monitor and report on revenue streams and measure its cash position. One element of this request relates to 2017-19 and 2019-21 changes in the complex revenue structure of the Oregon Health Plan (OHP). This includes the creation and subsequent changes related to the rural Type A and B hospital assessment, the managed care and insurer assessment, and Oregon Health and Science University intergovernmental transfer agreement, which all leverage significant amounts of federal revenue. As these sources of revenue have grown in criticality as a source of OHP funding while mitigating the growth of OHP General Fund expenses, the agency has indicated the position is important to help effectively monitor, manage, and reconcile them. The position would also be responsible for strengthening all of OHA's divisional budget reporting and monitoring processes to enhance its ability to measure program resources against budgeted amounts and address budget problems.

**Legislative Fiscal Office Recommendation:** The Legislative Fiscal Office (LFO) recommends that the Joint Interim Committee on Ways and Means recommend including an increase of \$452,879 in the Other Funds expenditure limitation and an increase of \$338,964 in the Federal Funds expenditure limitation and authorizing the establishment of seven positions (4.15 FTE) for the Oregon Health Authority Public Health Division in a budget reconciliation bill during the 2020 legislative session to address staffing issues. LFO also recommends further review and consideration of the remaining requested positions during the 2020 legislative session.

16  
Oregon Health Authority  
Heath

---

**Request:** Appropriate \$137,992 General Fund, increase Other Funds expenditure limitation by \$735,200, increase Federal Funds expenditure limitation by \$361,313, establish 49 positions (31.46 FTE), and increase 6.05 FTE on 17 permanent part-time positions to convert them into full-time positions to address staffing needs in various programs.

**Recommendation:** Consider the request during the 2020 Legislative Session.

**Discussion:** The Oregon Health Authority has submitted a request to address a variety of position needs in various programs. If approved, the Department's budget would increase by \$1.2 million total funds and add 49 positions (37.51 FTE). These positions include new position establishments, conversions of contracted staff to state employees, and adjustments to existing positions.

**New Position Establishments**

The Oregon Health Authority is requesting the establishment of seven positions (4.78 FTE) to address a variety of requests. First, the Department is requesting \$270,246 Other Funds expenditure limitation to pay for an Operations and Policy Analyst 4 position (1.00 FTE) to act as a Wellness Manager for the Public Employees Benefits Board (PEBB). The OHA hired this position in response to Executive Order 17-01, which required PEBB to work with the Department of Administrative Services to establish a statewide wellness plan. The position was hired on October 2, 2017 and has been working to form the Worksite Wellness Council, helping state agencies develop wellness plans, providing training and assistance to state agencies on wellness programming and planning, and working to elevate employee wellness within the enterprise. The position is currently being paid out of the premiums public employers pay into PEBB to fund their employee's health insurance.

Additionally, OHA is requesting \$452,879 Other Funds expenditure limitation, \$302,874 Federal Funds expenditure limitation, and the establishment of five positions (3.15 FTE) for the Public Health Division to support public health programs. This request includes the following:

- One Operations and Policy Analyst 3 position in its Immunization Program to increase data sharing, reporting, and analysis
- One Operations and Policy Analyst 3 position in its Acute and Communicable Disease Prevention program to provide additional support for data sharing and interoperability
- One Public Health Nurse 2 position to follow up on test results for newborn screenings performed at the Oregon Public Health Laboratory
- One Program Analyst 1 position to provide HIV housing case management services to Douglas, Coos, Curry and Josephine counties
- One Operations and Policy Analyst 4 position to analyze and evaluate the effectiveness of the agency's sexually transmitted disease prevention programs

Finally, the Central Services Division is requesting a permanent, full-time Operations and Policy Analyst 4 position (0.63 FTE) to assist the Department's budget team with tracking and reporting

on revenues and cash position. The Department's budgeted Other Funds revenue exceeded \$7.7 billion in the 2019-21 Legislatively Adopted Budget and includes a number of complex taxes, transfers, reimbursements, and fee for service payments. This position will ensure the appropriate level of focus on the Department's various revenue streams and analysis of how they are performing against budgeted amounts. The OHA is requesting \$137,992 General Fund to fund this position.

### **Contracted Staff Conversions**

The OHA is requesting to convert 35 positions (22.53 FTE) at the state hospital from either contract staff, limited duration positions or double-filled positions funded by contract dollars to permanent state employees. These positions include four Supervising Psychiatrists, 19 Psychiatrists, one Psychologist, five Medical Assistants, two Chaplains, three Custodians, and one Cook. The Department claims it can save \$1.5 million General Fund in 2019-21 by converting these contracted positions into state employees. While these savings may be available in 2019-21, the positions have an estimated rollup cost in 2021-23 of approximately \$4.4 million General Fund because the positions requested are not priced on a biennial basis. These position requests are directly related to the shortfall in that division and needs to be considered alongside that request made in a separate letter.

The state hospital is requesting the establishment of four Occupational Therapists and one Office Specialist 2 position (3.15 FTE) in order to convert staff, who are currently contracted, into state employees. The conversion from contracted staff to OHA staff would make managing the positions easier. The Department is not requesting any additional General Fund appropriation or limitation as part of this request. These contracted services are currently unbudgeted and are part of the Oregon State Hospital request in a separate letter.

The Public Health Division is requesting the establishment of one Operations and Policy Analyst 3 position (0.50 FTE) and one Program Analyst 3 position (0.50 FTE) to account for the transfer of staff the division currently funds at Multnomah County, as well as \$36,090 Federal Funds expenditure limitation to pay for Services and Supplies related to the positions. The Operations and Policy Analyst 3 position serves as the Region 1 Liaison and Coordinator for the health preparedness program. The Region 1 Liaison is the primary hospital and health system emergency preparedness contact for Multnomah, Clackamas, Washington, Columbia, Tillamook, and Clatsop counties and is funded by a federal grant. The Program Analyst 3 position is funded partly by the same grant and partly by a Department of Homeland Security Urban Areas Security Initiative grant. A decline in funding over time led to OHA assuming more of these responsibilities from counties in 2010. Multnomah County recently requested to end their status as the regional coordinator for these activities and this request would allow these services to continue.

### **Position Adjustments**

The Health Services Division is requesting to increase 17 positions from permanent part-time to permanent full-time (6.05 FTE). Almost all of these positions have been permanent part-time for multiple biennia with most reduced from full-time to part-time. Of particular note is the Department's request to increase a Principal Executive Manager J position, who is the agency's Medical Director, from 0.50 FTE to 1.00 FTE. Approving these requested changes would result in additional costs for a full biennium of \$0.7 million General Fund, \$0.1 million Other Funds and \$0.5 million Federal Funds. The Department has not requested any additional budgetary authority to make these changes and will live within its existing budget this biennium.

The Department is also requesting 193 reclassifications to align the state's budgeting and human resources management systems with the current job duties of the affected positions at the Oregon State Hospital. The net effect of the requested changes is to move approximately 100 positions from the Licensed Practical Nurse, Mental Health Therapist 2, Mental Health Therapist 1, Mental Health Registered Nurse, and Mental Health Therapy Coordinator classifications into the Mental Health Therapy Technician and Recreational Specialist classifications. The Department has not requested any additional budgetary authority or an increase in positions to accomplish these changes.



Office of the Director

Kate Brown, Governor



500 Summer Street NE E20  
Salem, OR 97301  
Voice: 503-947-2340  
Fax: 503-947-2341  
TTY: 503-947-5080

December 9, 2019

The Honorable Senator Betsy Johnson, Co-Chair  
The Honorable Senator Elizabeth Steiner Hayward, Co-Chair  
The Honorable Representative Dan Rayfield, Co-Chair  
Interim Joint Committee on Ways and Means  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301-4048

Dear Co-Chairpersons:

### **Nature of the Request**

The Oregon Health Authority requests the Legislature establish 40 positions for the Oregon State Hospital, seven positions for Public Health, one position Public Employees' Benefit Board (PEBB) and one position with Central Services. OHA also requests to make 17 permanent part-time positions in the Health Systems Division into permanent full-time positions.

The position need for Public Health includes the need for \$452,879 Other Funds and \$338,964 Federal Funds limitation. The position request for Central Services includes the need for \$137,992 General Fund, \$12,075 Other Funds limitation and \$22,349 Federal Funds limitation. The position request for PEBB includes the need for \$270,246 Other Funds limitation.

### **Agency Action**

Over that last several years, OHA has worked diligently to effectively manage programs and services within its position authority, minimizing the use of double-filled positions. This request for positions is to further align the agency's position authority to the work it needs to get done.

*Oregon State Hospital (40 positions, 25.68 FTE)* – The Oregon State Hospital has continuously been presented the duality of providing the appropriate levels of patient care within the restrictions of budgeted positions. To meet the need of patient care, the hospital has been forced to supplement positions with alternative solutions—usually contracting through either direct source, temporary agency contractors, nursing agency, or the Oregon Health & Science University.

The first 35 positions would be funded with dollars currently budgeted for contracted staffing. These positions include: *4 Supervising Psychiatrists; 18 Psychiatrists; 5 Medical Assistants; 2 Chaplains; 1 Psychologist; 3 Custodians; and, 1 Cook*. These 35 positions would provide base staffing at the hospital that currently do not have position authority to fill with permanent employees. Instead they are supplemented through contracted services (Psychiatrist and Medical Assistants), limited duration staff (Chaplain, Custodian and Cook), or permanent staff without budget authority (Psychologist).

The remaining five hospital positions are for the Person Directed Transition Team (PDTT). These positions include *four Occupational Therapists and one Office Specialist 2*. The PDTT program is currently served through contracted services and would be more easily managed if converted to positions.

In addition to these position requests, OSH requests budget neutral reclassifications to align hundreds of positions with staffing needs identified in the hospital's staffing plan. In the past, OSH has reacted in an ad hoc manner to changing needs, acuity, diagnoses and legal status of the patient population. This request will ensure OSH can set firm departmental expectations and processes for managing positions that best serves OSH patients and ensures continued compliance with the recommendations of the Nurse Staffing Committee.

*Public Health (7 positions, 4.15 FTE)* – Public Health requests \$452,879 Other Funds limitation and \$338,964 Federal Funds limitation to fund the following position request.

The first five positions, described below, are requested to meet increased capacity needs for foundational support to public health programs.

The Immunization Program is increasingly needed by our partners to bridge the gap between clinical and technical expertise, interpret and share immunization data in new ways, and consistently provide accurate and timely data. The program is requesting *one Operations & Policy Analyst 3*, ALERT IIS Data Analyst position to provide subject matter expertise and leadership in data intelligence including the interpretation, analysis, processing, and generation of immunization data from ALERT IIS to Support the Oregon Immunization Program (OIP). The federal immunization grant would fund the position.



Acute and Communicable Disease Prevention houses the business informatics team that supports communicable disease interoperability between the CDC, OHA, local public health and clinical & laboratory reporters. This workload has outgrown the capacity of one individual. Public Health is requesting *one Operations & Policy Analyst 3* position, Communicable Disease Interoperability Analyst. The CDC Epidemiology and Laboratory Capacity Grant would fund the position.

As the Oregon Public Health Laboratory tests for more disorders, newborn screening follow-up has become clinically more complex. Public Health is requesting *one Public Health Nurse 2* position, Newborn Screening Follow-Up Nurse, to add to the follow-up team to partner with our clinical consultants and work with clinicians to interpret screening data in order to ensure appropriate and timely follow up and treatment for newborns. Revenue from newborn screening fees would fund the position.

Housing is increasingly a barrier to health equity. The Public Health HIV, STD and TB section is requesting *one Program Analyst 1* position, HIV Housing Coordinator, to provide direct housing case management services for Douglas, Coos, Curry, and Josephine counties. Ryan White and grant funding from the Department of Housing and Urban Development (HUD) would fund the position.

Through the implementation of End HIV Oregon, the Public Health has increased its responsibility to monitor, innovate and implement initiatives and policy that will reduce increasing rates of STI and eliminate new HIV and TB infection. The Public Health HIV, STD and TB section is requesting *one Operations & Policy Analyst 4* position, Quality Assurance and Policy Coordinator, to provide leadership and expertise in public health policy, advanced statistical and operational evaluation and analysis, qualitative and quantitative techniques for analyzing and measuring the effectiveness, efficiency and productivity of administrative and technical programs and systems, while growing capacity and ensuring alignment across complex systems of care. Ryan White funding would fund the position.

Public Health is also requesting two positions to transfer two staff from Multnomah County—the Region 1 Liaison and Coordinator. The county has housed these two positions since the program’s inception. The staff will be placed back into the Health Security Preparedness and Response section. This position authority brings the positions to OHA in alignment with other HPP liaisons across the state. The transfer would be effective July 1, 2020. The position request is for *one Operations*

*& Policy Analyst 3 position and one Policy Analyst 3 position.* The work is funded through the Hospital Preparedness Program Federal Funds grant. Public Health is requesting \$36,090 in Federal Funds limitation for position-related State Assessments & Enterprise-Wide Costs (SAEC).

*Health Systems Division Part-Time Position Clean Up (6.05 FTE)* – The Health Systems Division requests 6.05 FTE to convert 17 permanent part-time positions, currently filled with full-time employees, to full-time positions. The additional FTE would be supported within the division’s current budget authority.

*Public Employees’ Benefit Board (1 position, 1.00 FTE)* – Executive Order 17-01 directs PEBB to appoint a statewide Wellness Manager. The Wellness Manager is required to facilitate the creation of a Coordinating Council and lead worksite wellness program initiatives across all state agencies. The Directive requires that DAS in conjunction with PEBB establish a policy and implementation plan within 240 days after the Executive Order signing. PEBB is working closely with Public Health to implement the Order. The Executive Order was signed on January 25, 2017. Employee is currently double-filling on a PEBB position. PEBB is requesting *one Operations & Policy Analyst 4 position* and \$270,246 Other Funds limitation.

*Central Services (1 position, 0.63 FTE)* - OHA is requesting an Operations and Policy Analyst 4 position for the OHA budget team to focus on revenue reporting and reconciliation in order for the agency to more effectively monitor its revenues throughout the biennium and more efficiently identify its cash position, especially during budget closeout. This position is needed due to the size and complexity of the Other Funds budget, which, when including tobacco tax, Tobacco Master Settlement Agreement, and Lottery Funds, is over \$7.8 billion. This is a need that has become increasingly important as the Legislature has relied more and more on Other Funds revenue sources to balance the OHA budget. This position would develop more stringent processes for divisional reporting and monitoring as well as analyzing projections against budget. This body of work has been carried primarily by the Budget Director, in addition to the other Budget Director responsibilities, but would be better carried out with the focus of a separate position dedicated to it.

### **Action Requested**

Acknowledge receipt of the report.

The Honorable Senator Betsy Johnson, Co-Chair  
The Honorable Senator Elizabeth Steiner Hayward, Co-Chair  
The Honorable Representative Dan Rayfield, Co-Chair  
December 9, 2019  
Page 5 of 5

**Legislation Affected**

Oregon Laws 2019, Chapter 695, Section 1, Subsection (1).  
Oregon Laws 2019, Chapter 695, Section 1, Subsection (3).  
Oregon Laws 2019, Chapter 695, Section 2, Subsection (3).  
Oregon Laws 2019, Chapter 695, Section 4, Subsection (3).  
Oregon Laws 2019, Chapter 695, Section 2, Subsection (1).  
Oregon Laws 2019, Chapter 695, Section 4, Subsection (1).

Sincerely,



Patrick M. Allen  
Director

EC: Tom McDonald, Legislative Fiscal Office  
Ken Rocco, Legislative Fiscal Office  
Kate Nass, Department of Administrative Services  
George Naughton, Department of Administrative Services