

Item 2: Oregon Health Authority

COVID-19 Testing Capacity Budget Report

Analyst: Tom MacDonald

Request: Acknowledge receipt of a report on the Oregon Health Authority's revised spending plan for COVID-19 testing capacity.

Description: The Oregon Health Authority (OHA) has submitted a report to inform the Emergency Board of the agency's plan to reprioritize \$1.2 million in expenditure limitation from the \$7.4 million previously approved by the Emergency Board to increase COVID-19 testing capacity at the University of Oregon (UO) and Oregon State University (OSU). The \$1.2 million, which represents federal Coronavirus Relief Funds (CRF) and Federal Emergency Management Agency (FEMA) reimbursement, is available as a result of a decrease in the estimated costs to increase laboratory capacity at UO. The agency plans to use this available funding to further address testing capacity by purchasing 10 mobile testing units (vans) to support regional testing needs and for one-time OSU staffing expenses.

Inclusive of these revisions, the Legislative Fiscal Office notes that \$938,878 of the overall \$7.4 million remains unallocated in OHA's revised spending plan because the decrease in UO's project costs totals approximately \$2.1 million, but the revised spending plan uses only \$1.2 million for the mobile testing units and OSU staffing costs. Of the \$938,878, \$234,719 is CRF, which will either need to be expended by OHA for COVID-19 testing capacity or reprioritized by the Emergency Board ahead of December 30, 2020 to avoid the federal expiration of these funds.

Background: At its meeting on September 25, 2020, the Emergency Board approved a \$7.4 million increase in OHA's expenditure limitations to support one-time laboratory capacity expenses at UO and OSU to help meet projected statewide daily COVID-19 testing needs. The revenue to support these costs is available from federal FEMA reimbursement matched by CRF. The spending plan initially identified for the \$7.4 million included \$6.5 million for laboratory construction, equipment and supplies, and staffing costs at UO; \$400,000 for laboratory equipment at OSU; and \$500,000 for OHA to purchase and configure software to handle sample collection, testing data, and reporting.

Subsequent to the Emergency Board's approval of this plan, UO's estimated project costs decreased from \$6.5 million to \$4.4 million, leaving \$2.1 million unallocated in the agency's spending plan. This change was primarily based on the determination that fewer refrigeration units were needed for sample storage in meeting the state's testing capacity goals, which results in lower construction and equipment expenses than originally budgeted. OHA communicated this change in the agency's statewide testing plan document updated on October 8, 2020.

Revised Spending Plan: OHA's current report to the Emergency Board identifies the agency's plan to use nearly \$1.2 million of the unallocated \$2.1 million for two purposes:

- \$181,000 for one-time OSU staffing costs to help the university fully utilize increased laboratory capacity and achieve daily COVID-19 testing goals; and
- \$1 million for the purchase of 10 mobile testing units to increase testing access for rural and vulnerable populations; support screening of migrant and seasonal farmworkers; and investigate outbreaks and perform testing in congregate living facilities.

The estimated average cost for each mobile testing unit is \$89,500, which includes the purchase of a van retrofitted with a generator, refrigerator, and storage; testing equipment and supplies; and technology that enables the secure registration of patient information. OHA plans to integrate the 10 mobile testing units into its regional testing strategy, with at least one vehicle being available for deployment in each of the agency’s seven state testing regions. The testing units will collect specimens and transport them to the designated regional testing laboratory.

OHA Spending Plan for COVID-19 Testing Capacity	CRF	FEMA	TOTAL
A. Emergency Board - Sept. 25, 2020	1,850,000	5,550,000	7,400,000
B. Revised OHA Spending Plan - Oct. 2020 Report			
UO - equipment, supplies, staffing	1,091,281	3,273,841	4,365,122
OSU - equipment	100,000	300,000	400,000
Software	125,000	375,000	500,000
Total Spending Plan - Oct. 2020 report	1,316,281	3,948,841	5,265,122
C. Additional Capacity Investments - Nov. 2020 Report			
OSU - Staffing	45,250	135,750	181,000
OHSU mobile testing - 3 vans / unreimbursed costs	97,125	291,375	388,500
Mobile testing - 7 vans for OHA and community partners	156,625	469,875	626,500
Total Additional Investments - Nov. 2020 report	299,000	897,000	1,196,000
D. Current Spending Plan (B + C)	1,615,281	4,845,841	6,461,122
E. Remaining Expenditure Limitation (A - D)	234,719	704,159	938,878

OHA is partnering with the Oregon Health and Science University (OHSU) for three of the 10 mobile testing units. These three mobile testing units, which OHSU will own, are expected to increase OHSU’s ability to process an additional 500 tests per day in the hospital’s laboratory. The amount budgeted for OHSU is \$388,500, which includes \$120,000 in one-time support for tests anticipated to be ineligible for insurance reimbursement.

Of the remaining seven mobile testing units, OHA will own and use four and will make the remaining three available to community testing partners, such as community-based organizations, who will need to apply for, staff, and support the units. OHA expects the costs of tests that occur through the use of these seven mobile units to largely be reimbursed by insurance but has indicated the agency will be able to use some of the federal funding it previously received for laboratory and testing expenses for costs ineligible for insurance. OHA plans to ultimately transfer ownership of the three community partner mobile testing units to community organizations. Over the long-term, OHA believes all ten mobile testing units will be useful in supporting other testing needs, such as with influenza.

Remaining expenditure limitation: OHA’s revised spending plan for the \$7.4 million leaves \$938,878 unallocated because the agency has identified uses for only \$1.2 million of the total \$2.1 million in decreased expenses for UO. Assuming OHA makes expenditures according to the same mix of FEMA reimbursement (75%) matched with CRF (25%) approved by the Emergency Board at its meeting on September 25, 2020, the unallocated CRF portion totals \$234,719. Absent a plan by OHA

demonstrating how this funding will be invested to support COVID-19 testing capacity, the Legislative Fiscal Office will advise the Emergency Board to consider alternative uses of this funding in advance of the federal CRF expiration on December 30, 2020.

Recommendation: The Co-Chairs of the Emergency Board recommend acknowledging receipt of the report from the Oregon Health Authority on the agency’s revised spending plan for COVID-19 testing capacity.



Office of the Director

Kate Brown, Governor



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November 3, 2020

The Honorable Senator Peter Courtney, Co-Chair
The Honorable Representative Tina Kotek, Co-Chair
State Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairs:

Nature of the Request

The Oregon Health Authority (OHA) requests acknowledgement of this report.

Agency Action

At the Emergency Board meeting held on September 25, OHA made a \$29,400,000 funding request to increase COVID-19 testing capacity through strategic partnerships with the Oregon Veterinary Diagnostic Lab (OVDL) at the Oregon State University (OSU) and the University of Oregon (UO). The Emergency Board approved a limited approach to the request by providing a \$7.4 million expenditure limitation based on \$5.6 million in FEMA reimbursement and \$1.9 million for matching Coronavirus Relief Funds. Of the \$7.4 million allocated at this meeting, we are requesting \$1,195,638.50 to be used to provide additional mobile testing capacity for Oregon.

On October 8, OHA submitted its first update on the Oregon Testing Initiative to the Emergency Board, the Legislative Fiscal Office and the Department of Administrative Services' Chief Financial Office. As discussed in that update, the goal of the Oregon Testing Initiative is to build laboratory capacity to increase COVID-19 testing. We will deliver that increased testing capacity to Oregonians through a regional testing framework, utilizing regional testing partners, local public health authorities, and other regional stakeholders to perform the specimen collection in the communities they serve. Since our last report, we have identified an opportunity to strengthen our initiative through the inclusion of mobile testing capacity.

Mobile testing capacity would be used to increase testing access for Oregon's most rural populations as well as vulnerable populations for whom transportation represents a significant barrier to testing access. Mobile testing capacity would further support the screening of migrant and seasonal farmworkers upon arrival in Oregon, a key component of Oregon's testing strategy. Finally, mobile units could be deployed to investigate outbreaks or perform testing in congregate living facilities such as shelters, intellectual or developmental disability facilities, and behavioral health facilities.

Mobile testing units would be staffed and operated by our regional and community testing partners, to address regional testing needs as identified by our Regional Testing Coordinators. Mobile units would be responsible for collecting specimens and transporting specimens back to the region's designated laboratory. Mobile testing units would be equipped with the technology to support registering patient information remotely, appropriate storage and refrigeration for specimens and sample collection tools, and tenting and all-season furniture for outdoor sample collection.

We propose to build mobile testing capacity for the Oregon Testing Initiative through a partnership with Oregon Health & Science University (OHSU), as well as through investments in mobile units for OHA and other community-based organizations. We specifically propose the funding of three mobile units at OHSU, four mobile units at OHA, and three mobile units available to community partners. These mobile units would be integrated into our regional testing framework, with at least one mobile unit available to deploy in each of Oregon's seven regions. Community partners would have to apply for and be able to staff and support a mobile unit.

OHSU would provide laboratory capacity to process up to 500 samples per day through these mobile units, while the remaining mobile units would utilize laboratory capacity at the Oregon State Public Health Laboratory, OSU, and UO.

In addition to meeting urgent testing needs, mobile units could also be used to deliver influenza and COVID-19 vaccines.

OSU Salary Support

In order to fully maximize the increased laboratory capacity at OVDL, OSU required the hiring of additional laboratory staff. OHA requests \$181,000 of the original \$7.5 million allocation for increased salary costs.

Budget Details

Mobile Van: Includes cost of vehicle and retrofitting with generator, refrigerator and supplies	Estimated unreimbursed costs at OHSU for eight weeks* *Assumes 500 tests/day * 5 days/week * 3 vans	Total Request for OHSU:	Cost of additional 7 vans @ \$89,500 each:	OSU Salary Support	Total:
\$89,500 *3 = \$268,500	\$120,000	\$388,500	\$626,500	\$181,000	\$1,196,000

Action Requested

Acknowledge receipt of the report.

Legislation Affected

None.

Sincerely,



Patrick M. Allen
Director

EC: Tom MacDonald, Legislative Fiscal Office
Ken Rocco, Legislative Fiscal Office
Patrick Heath, Department of Administrative Services
George Naughton, Department of Administrative Services