

**Legislative
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**Joint Committee on
Ways and Means**

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To: Human Services Subcommittee
From: Tom MacDonald, Legislative Fiscal Office
Date: June 12, 2019
Subject: SB 5525 – Oregon Health Authority - Health Policy and Analytics
Work Session Recommendations

Oregon Health Authority – Health Policy and Analytics

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 LFO Recommended
General Fund	22,205,930	45,220,124	48,127,235	46,863,282
Lottery Funds	0	24,000	24,912	24,912
Other Funds	5,803,968	39,582,250	35,186,855	31,047,462
Federal Funds	84,426,282	107,900,414	114,161,885	114,311,664
Total Funds	112,436,180	192,726,788	197,500,887	192,247,320
Positions	137	137	155	154
FTE	130.04	129.57	147.30	144.84

Attached are the recommendations from the Legislative Fiscal Office (LFO) for the Health Policy and Analytics (HPA) budget within the Oregon Health Authority (OHA). LFO recommends a total budget of \$192.2 million, which represents a 0.2 percent decrease from the 2017-19 legislatively approved budget. The recommended General Fund budget is \$46.9 million, which represents a 3.6 percent increase from 2017-19. The budget recommendation includes the following adjustments:

- *CCO 2.0 Staffing* - to support OHA’s on-going work to advance Oregon’s coordinated care model, also known as “CCO 2.0,” the recommendation includes \$2.2 million, of which \$1.3 million is General Fund, to support eight new positions (6.28 FTE). These positions will be responsible for helping to develop and implement value-based payment models, address social determinants of health and equity, and improve cost containment and financial accountability across the system. This adjustment also includes \$150,000 General Fund to process and analyze emergency department discharge abstract records, as authorized in Senate Bill 23 (2019). Additional positions and adjustments related to CCO 2.0 are recommended as part of the Health Systems Division budget (Package 416).

- *Behavioral Health Homes* - increase of \$325,054 General Fund and related federal matching dollars to support two positions responsible for identifying, monitoring, and regulating behavioral health homes, as authorized in Senate Bill 23 (2019). This adjustment is funded as part of the \$50 million behavioral health investment package impacting the OHA and Department of Human Services budgets (Package 802).
- *Mental Health Clinical Advisory Group* - increase of \$396,907 General Fund and federal Medicaid matching funds to support the Mental Health Clinical Advisory Group, which is reestablished under Senate Bill 183. This adjustment also includes two positions to support the ongoing work of the group (Package 411).
- *Health Information Exchange Onboarding* - OHA received funding in 2017-19 to support providers connecting to health information exchange entities. LFO's recommendation includes one-time support of \$420,000 General Fund, which represents the amount of unspent funds in 2017-19, to finish this work in 2019-21. These dollars will leverage federal Medicaid funding at a 90 percent match rate (Package 801).
- *Other Funds Adjustments* - the budget includes two key adjustments to Other Funds expenditure limitation. First, a reduction of \$13.8 million is included to account for the suspension of the Common Credentialing Program in July 2018. The reduced limitation represents once anticipated fee revenue that will no longer be charged or collected. The budget also increases limitation by \$9.8 million to reflect revenue provided by the Oregon Health and Science University as part of the Healthy Oregon Workforce Training Opportunity Grant program (Package 095).

Adjustments to Current Service Level

See attached "Work Session Presentation Report."

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 2019-21 Health Policy and Analytics preliminary budget of:

\$	46,863,282	General Fund
\$	24,912	Lottery Funds
\$	31,047,462	Other Funds
\$	114,311,664	Federal Funds

154 Positions
144.84 FTE

Accept LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5525. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5525, 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 SB 5525, which is the budget bill for the entire Oregon Health Authority. The recommended amendments to SB 5525 will be presented after work sessions are completed on all parts of the budget.

OREGON HEALTH AUTHORITY: HEALTH POLICY AND ANALYTICS
SB 5525 WORK SESSION

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
2017-19 Legislatively Approved Budget (As of June 2019)	45,220,124	24,000	39,582,250	107,900,414	-	-	192,726,788	137	129.57	
2019-21 Current Service Level	48,127,235	24,912	35,186,855	114,161,885	-	-	197,500,887	155	147.30	
2019-21 Governor's Budget	51,290,254	24,000	30,375,215	113,615,762	-	-	195,305,231	160	150.60	
2019-21 LFO RECOMMENDED BUDGET	46,863,282	24,912	31,047,462	114,311,664	-	-	192,247,320	154	144.84	

2019-21 LFO RECOMMENDED BUDGET ADJUSTMENTS

1	2019-21 Current Service Level Estimate	48,127,235	24,912	35,186,855	114,161,885	-	-	197,500,887	155	147.30	
2	LFO Recommendations of Existing Packages										
3	Pkg 095: December 2018 Rebalance										
4	Health Care Provider Incentive Fund	-	-	9,757,200	-	-	9,757,200	-	-	HOWTO Program	
5	Oral Health Grant	-	-	-	799,975	-	799,975	2	2.00		
6	Oregon Common Credentialing Program	-	-	(13,814,870)	-	-	(13,814,870)	-	-	Recognizes program suspension	
7	Technical adjustments and transfers	(3,472,428)	-	(81,723)	(2,115,101)	-	(5,669,252)	(15)	(14.50)		
8	Pkg 411: Mental Health Clinical Advisory Group	396,907	-	-	321,637	-	718,544	2	2.00	SB 138	
9	Pkg 416: CCO 2.0	1,260,863	-	-	907,822	-	2,168,685	8	6.28	Staff / SB 23	
10											
11	Other Recommended Adjustments										
12	Pkg 801: LFO Analyst Adjustments										
13	Health Information Exchange onboarding	420,000	-	-	-	-	420,000	-	-	One-time	
14	Vacancy savings	(194,349)	-	-	-	-	(194,349)	-	-		
15	Pkg 802: \$50M Behavioral Health Investment										
16	Behavioral Health Homes	325,054	-	-	235,446	-	560,500	2	1.76	SB 22	
17											
18	Total Adjustments from CSL	(1,263,953)	-	(4,139,393)	149,779	-	(5,253,567)	(1)	(2.46)		
19											
20	TOTAL 2019-21 Recommended Budget	46,863,282	24,912	31,047,462	114,311,664	-	192,247,320	154	144.84		
21											
22	Change from 2017-19 Approved	1,643,158	912	(8,534,788)	6,411,250	-	(479,468)	17	15.27		
23	Change from 2019-21 CSL Estimate	(1,263,953)	-	(4,139,393)	149,779	-	(5,253,567)	(1)	(2.46)		
24	Change from 2019-21 Governor's Budget	(4,426,972)	912	672,247	695,902	-	(3,057,911)	(6)	(5.76)		
25											
26	% Change from 2017-19 Approved	3.6%		-21.6%	5.9%		-0.2%	12.4%	11.8%		
27	% Change from 2019-21 CSL Estimate	-2.6%		-11.8%	0.1%		-2.7%	-0.6%	-1.7%		
28	% Change from 2019-21 Governor's Budget	-8.6%		2.2%	0.6%		-1.6%	-3.8%	-3.8%		