

**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 13, 2019
Subject: SB 5525 – Oregon Health Authority
Work Session Recommendations

Oregon Health Authority

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 LFO Recommended
General Fund	2,152,357,931	2,162,870,267	3,176,978,132	2,712,778,022
Lottery Funds	11,113,255	12,498,909	13,035,809	17,098,000
Other Funds	5,683,251,462	7,794,873,473	6,872,981,111	7,631,526,249
Other Funds NL	212,475,263	40,000,000	40,000,000	40,000,000
Federal Funds	11,189,125,905	11,714,407,633	11,608,886,871	12,635,381,436
Federal Funds NL	85,956,641	106,457,226	106,196,261	106,196,261
Total Funds	19,334,280,457	21,831,107,508	21,818,078,184	23,142,979,968
Positions	4,450	4,200	4,121	4,230
FTE	4,394.40	4,281.80	4,096.47	4,200.07

Attached are the recommendations from the Legislative Fiscal Office for the Oregon Health Authority budget. These recommendations are the aggregate of all the individual program budgets that the Subcommittee has already approved for the agency. The total funds budget is 6.0 percent higher than the 2017-19 legislatively approved budget, while the General Fund represents an increase of 25.4 percent, or \$549.9 million.

Maximum Supervisory Ratio:

The agency reported a maximum supervisory ratio of 1:8.36 for the 2019-21 biennium.

Adjustments to Current Service Level

See attached “SB 5525 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 SB 5525. (VOTE)

OR

Change LFO Recommendation:

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

Performance Measures

See attached “Legislatively Proposed 2019-21 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: Behavioral Health Caseload Forecast

The Oregon Health Authority, in consultation with the Chief Financial Office of the Department of Administrative Services, the Legislative Fiscal Office, and community mental health programs, shall make recommendations to the 2020 Legislative Assembly about how to update behavioral health caseload forecast methodologies, processes and related funding formulas. At a minimum, the agency shall consider if the price per case accurately captures the cost of community based behavioral health treatment and how caseload methodologies and use of funding incentivizes regionally and nationally recognized best practices, and outcome oriented strategies, to create a more effective system to meet the behavioral health needs of individuals in the community and prevent higher levels of care when appropriate. The agency shall present recommendations to the Legislature by December 1, 2019.

#2 Budget Note: Prescription Drug Cost Saving Tools

The Public Employees’ Benefit Board and Oregon Educators Benefit Board shall pursue additional pharmacy cost savings tools that provide members individualized information on

their costs paired with quality and plan cost information to help encourage consumerism and save the boards' employers money on their prescription costs.

#3 Budget Note: CCO Enrollment Process

For the enrollment period for the 2020 plan year, the Oregon Health Authority's first priority in assigning members shall be maintaining, to the greatest extent practical, ongoing primary care and behavioral health relationships. After assignment, the agency shall ensure members retain the right to choose a different coordinated care organization, if more than one is available in their area. The agency shall report to interim health care committees on their transition plans before the end of 2019.

#4 Budget Note: Review of CCO Rates

The Oregon Health Authority shall report to the Joint Interim Committee on Ways and Means by February 1, 2020 regarding coordinated care organization capitation rates developed by the agency for the 2020 plan year. At a minimum, the report shall include a comparison of the 2020 rates to the 2019 rates and demonstrate the steps the agency has taken to achieve its annual 3.3 percent per member growth target. The agency shall report on the extent to which, if any, the Quality Incentive Pool or any other portion of the agency's budget has been used to support capitation payments. By January 1, 2021, the agency shall report the same information to the Joint Interim Committee on Ways and Means or the Emergency Board, but do so for plan year 2021 in comparison to plan years 2020 and 2019.

Accept LFO Recommendation:

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

OR

Change LFO Recommendation:

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

Recommended Changes

LFO recommends a budget of \$2,712,778,022 General Fund, \$17,098,000 Lottery Funds, \$7,631,526,249 Other Funds, \$12,635,381,436 Federal Funds, and 4,230 positions (4,200.07 FTE), which is reflected in the -1 amendment.

MOTION: I move adoption of the -1 amendment to SB 5525. (VOTE)

Final Subcommittee Action

MOTION: I move SB 5525, as amended, to the Full Committee with a do pass recommendation. (VOTE)

**OREGON HEALTH AUTHORITY: Agency Totals
SB 5525 WORK SESSION**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE
2017-19 Legislatively Approved Budget (As of June 2019)	2,162,870,267	12,498,909	7,794,873,473	11,714,407,633	40,000,000	106,457,226	21,831,107,508	4,200	4,281.80
2019-21 Current Service Level	3,176,978,132	13,035,809	6,872,981,111	11,608,886,871	40,000,000	106,196,261	21,818,078,184	4,121	4,096.47
2019-21 Governor's Budget	2,441,537,660	12,925,769	7,726,255,646	11,721,326,187	40,000,000	106,196,261	22,048,241,523	4,297	4,221.17
2019-21 LFO RECOMMENDED BUDGET	2,712,778,022	17,098,000	7,631,526,249	12,635,381,436	40,000,000	106,196,261	23,142,979,968	4,230	4,200.07
Health Systems Division	1,824,601,029	16,824,779	3,255,806,476	12,149,114,715	-	-	17,246,346,999	331	320.13
Health Policy and Analytics	46,863,282	24,912	31,047,462	114,311,664	-	-	192,247,320	154	144.84
Public Employees' Benefit Board	-	-	2,116,635,989	-	-	-	2,116,635,989	20	19.50
Oregon Educators Benefit Board	-	-	1,740,199,515	-	-	-	1,740,199,515	20	20.00
Public Health	92,315,337	-	218,382,068	276,733,458	40,000,000	102,729,051	730,159,914	763	753.89
Oregon State Hospital	499,314,517	-	70,328,792	38,929,554	-	-	608,572,863	2,284	2,283.82
Central, Shared Services, Assessments	185,745,227	248,309	199,125,947	56,292,045	-	-	441,411,528	658	657.89
Debt Service	63,938,630	-	-	-	-	3,467,210	67,405,840	-	-
TOTAL 2019-21 OHA RECOMMENDED BUDGET	2,712,778,022	17,098,000	7,631,526,249	12,635,381,436	40,000,000	106,196,261	23,142,979,968	4,230	4,200.07
Change from 2017-19 Approved	549,907,755	4,599,091	(163,347,224)	920,973,803	-	(260,965)	1,311,872,460	30	(81.73)
Change from 2019-21 CSL Estimate	(464,200,110)	4,062,191	758,545,138	1,026,494,565	-	-	1,324,901,784	109	103.60
Change from 2019-21 Governor's Budget	271,240,362	4,172,231	(94,729,397)	914,055,249	-	-	1,094,738,445	(67)	(21.10)
% Change from 2017-19 Approved	25.4%	36.8%	-2.1%	7.9%	0.0%	-0.2%	6.0%	0.7%	-1.9%
% Change from 2019-21 CSL Estimate	-14.6%	31.2%	11.0%	8.8%	0.0%	0.0%	6.1%	2.6%	2.5%
% Change from 2019-21 Governor's Budget	11.1%	32.3%	-1.2%	7.8%	0.0%	0.0%	5.0%	-1.6%	-0.5%

Legislatively Proposed 2019 - 2021 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 2020	Target 2021
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	36.50%	40.20%	40.20%
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	11.30%	11%	11%
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	84.70%	72%	72%
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).		Approved	82.80%	90%	90%
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	64%	54%	54%
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	75.40%	65%	65%
7. 30 DAY ILLICIT DRUG USE AMONG 6TH GRADERS - Percentage of 6th graders who have used illicit drugs in the past 30 days.		Approved	1.80%	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	4.50%	3.50%	3.50%
9. 30 DAY ILLICIT DRUG USE AMONG 8TH GRADERS - Percentage of 8th graders who have used illicit drugs in the past 30 days.		Approved	8.20%	6%	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%	13%	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	20.40%	16.50%	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%	26%	26%

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
13. PRENATAL CARE (POPULATION) - Percentage of women who initiated prenatal care in the first 3 months of pregnancy.		Approved	79.90%	91%	91%
14. PRENATAL CARE (MEDICAID) - Percentage of women who initiated prenatal care within 42 days of enrollment.		Approved	90.60%	91%	91%
15. PATIENT CENTERED PRIMARY CARE HOME (PCPCH) ENROLLMENT - Number of members enrolled in patient-centered primary care homes by tier.		Approved	70.10%	100%	100%
16. PQI 01: Diabetes Short-Term Complication Admission Rate		Approved	205.30	138	138
17. PQI 05: COPD or Asthma in Older Adults Admission Rate		Approved	516.80	404	404
18. PQI 08: Congestive Heart Failure Admission Rate		Approved	293.40	230	230
19. PQI 15: Asthma in Younger Adults Admission Rate		Approved	43	47.50	47.50
19. ACCESS TO CARE - Percentage of members who responded "always" or "usually" too getting care quickly (composite for adult and child).		Approved	84.20%	88%	88%
20. MEMBER EXPERIENCE OF CARE - Composite measurement: how well doctors communicate; health plan information and customer service (Medicaid population).		Approved	84.20%	90%	90%
21. MEMBER HEALTH STATUS - Percentage of CAHPS survey respondents with a positive self-reported rating of overall health (excellent, very good, or good).		Approved	68.90%	68.90%	68.90%
22. RATE OF TOBACCO USE (POPULATION) - Rate of tobacco use among adults.		Approved	20.45%	15%	15%
23. RATE OF TOBACCO USE (MEDICAID) - Percentage of CCO enrollees who currently smoke cigarettes or use tobacco every day or some days.		Approved	27.80%	25%	25%
24. RATE OF OBESITY (POPULATION) - Percentage of adults who are obese among Oregonians.		Approved	29%	27%	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	67.70%	70%	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	45.70%	58.20%	58.20%
27. FLU SHOTS (POPULATION) - Percentage of adults ages 50-64 who receive a flu vaccine.		Approved	51%	70%	70%
28. CHILD IMMUNIZATION RATES (POPULATION) - Percentage of children who are adequately immunized (immunization series 4:3:1:3:3:1:4).		Approved	66%	80%	80%
29. CHILD IMMUNIZATION RATES (MEDICAID) - Percentage of children who are adequately immunized (immunization series 4:3:1:3:3:1:4).		Approved	73.20%	82%	82%
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	9.40%	10.50%	10.50%
31. ELIGIBILITY PROCESSING TIME - Median number of days processing time from date of request to eligibility determination.		Approved	1	31	31
32. OHP MEMBERS IN CCOs - Percent of Oregon Health Plan members enrolled in Coordinated Care Organizations.		Approved	85%	88%	88%

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
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	86%	95%	95%
	Accuracy		86%	95%	95%
	Availability of Information		77%	95%	95%
	Expertise		87%	95%	95%
	Helpfulness		90%	95%	95%
	Timeliness		86%	95%	95%

LFO Recommendation:

Approve KPMs as proposed. Approve targets for 2020 and 2021 as proposed. The Metrics and Scoring Committee sets the official targets for a number of these measures. Any changes to the targets should be reported to LFO when available.

SubCommittee Action: