

SB 5525 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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**Oregon Health Authority
2019-21**

PRELIMINARY

Budget Summary*

	2017-19 Legislatively Approved Budget ⁽¹⁾	2019-21 Current Service Level	2019-21 Committee Recommendation	Committee Change from 2017-19 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 2,094,889,468	\$ 3,112,286,432	\$ 2,648,086,322	\$ 553,196,854	26.4%
General Fund Capital Improvements	\$ 725,501	\$ 753,070	\$ 753,070	\$ 27,569	3.8%
General Fund Debt Service	\$ 67,255,298	\$ 63,938,630	\$ 63,938,630	\$ (3,316,668)	(4.9%)
Lottery Funds	\$ 12,498,909	\$ 13,035,809	\$ 17,098,000	\$ 4,599,091	36.8%
Other Funds Limited	\$ 7,792,733,560	\$ 6,872,228,041	\$ 7,630,773,179	\$ (161,960,381)	(2.1%)
Other Funds Capital Improvements	\$ 768,620	\$ 753,070	\$ 753,070	\$ (15,550)	(2.0%)
Other Funds Debt Service	\$ 1,371,293	\$ -	\$ -	\$ (1,371,293)	(100.0%)
Other Funds Nonlimited	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ -	0.0%
Federal Funds Limited	\$ 11,714,407,633	\$ 11,608,886,871	\$ 12,635,381,436	\$ 920,973,803	7.9%
Federal Funds Nonlimited	\$ 102,729,051	\$ 102,729,051	\$ 102,729,051	\$ -	0.0%
Federal Funds Debt Service Nonlimited	\$ 3,728,175	\$ 3,467,210	\$ 3,467,210	\$ (260,965)	(7.0%)
Total	\$ 21,831,107,508	\$ 21,818,078,184	\$ 23,142,979,968	\$ 1,311,872,460	6.0%

Position Summary

Authorized Positions	4,200	4,121	4,230	30.00
Full-time Equivalent (FTE) positions	4,281.80	4,096.47	4,200.07	(81.73)

⁽¹⁾ Includes adjustments through June 2019

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Health Authority (OHA) is funded with a mix of General Fund, Lottery Funds, Other Funds, and Federal Funds revenues. Most of the General Fund is used as match to receive Federal Funds, particularly for the state's Medicaid programs. Lottery Funds finance gambling addiction prevention and treatment services. In addition to Medicaid, Federal Funds support a variety of grant programs across the agency. Other Funds revenue comes from various sources, including Medicaid provider assessments, tobacco taxes, Tobacco Master Settlement Agreement funding, recreational marijuana taxes, beer and wine taxes, licensing fees, grants, estate collections, health care premiums, third party recoveries, pharmaceutical rebates, and charges for services.

House Bill 2010 (2019) made changes to Medicaid provider assessments, which support the Oregon Health Plan. Specifically, House Bill 2010 extends the sunset for the provider assessments; increases the assessment paid by commercial insurers, Public Employee Benefit Board plans and coordinated care organizations (CCOs) from 1.5 percent to 2.0 percent of premiums and expands the assessment to stop-loss insurance; and continues the current six percent assessment rate paid by diagnostic related group (DRG) hospitals; however, the six percent assessment is

under the fully reimbursable hospital assessment structure. OHP continues to be supported by Other Funds from an assessment for Type A and Type B rural hospitals and a separate intergovernmental transfer funding program with the Oregon Health & Science University (OHSU). In total, the OHA budget assumes a combined \$2.5 billion from Medicaid provider assessments and the OHSU funding program.

The budget includes a total of \$364 million in tobacco tax revenue, which is used to support OHP, community mental health programs, and tobacco prevention and education programs, as well as a total of \$98.4 million of the Tobacco Master Settlement Agreement (TMSA) resources. The 2019-21 budget uses \$64.9 million in forecasted recreational marijuana tax revenue to save a like amount of General Fund in behavioral health programs.

The recommended budget includes increased Other Funds revenues from revised Drinking Water Services fees (as included in Senate Bill 27 (2019)), increased Food, Pool, and Lodging fees (as included in Senate Bill 27 (2019)), and the establishment of a waiver application fee through the administrative rules process for the Toxic Free Kids program.

The 2017-19 budget for the Oregon State Hospital (OSH) recognized additional Other Funds revenue of \$40.5 million related to the certification by the federal Centers for Medicare and Medicaid Services (CMS) of additional hospital-licensed beds. The certification allows OSH to bill insurance plans for patients covered under Medicare, Medicaid, and third-party (commercial) insurance. However, the hospital was unable to increase Other Funds revenues as much as projected due various administrative challenges as the hospital increased billings. The 2019-21 budget assumes OHA will improve billing practices as recognized in the previous biennium and identify other solutions, as necessary, to mitigate the Other Funds revenue challenges.

Finally, the budget reflects the collection of an estimated \$3.9 billion by the Public Employees Benefit Board and the Oregon Educators Benefit Board from state agencies and educational entities to pay premiums and provide health insurance for members.

Summary of Human Services Subcommittee Action

The Oregon Health Authority (OHA) was created in the 2009 Legislative Session to bring most health-related programs into a single agency to maximize its purchasing power and contain rising health care costs statewide. OHA is overseen by the Oregon Health Policy Board. OHA's mission is to help all people and communities achieve optimum physical, mental, and social well-being through partnerships, prevention, and access to quality, affordable health care. OHA has adopted the triple aim of improving health, increasing quality, and lowering costs of care to achieve its mission. Programs provide medical coverage to low-income individuals and families and to public employees; offer treatment services to persons with mental illness, alcohol or drug addictions; provide support for Oregonians with disabilities; and regulate the state's public health system.

The Subcommittee recommended a budget for the Oregon Health Authority of \$2,712,778,022 General Fund, \$17,098,000 Lottery Funds, \$7,631,526,249 Other Funds expenditure limitation, \$12,635,381,436 Federal Funds expenditure limitation, \$40,000,000 Other Funds

Nonlimited, and \$106,196,261 Federal Funds Nonlimited for a total funds budget of \$23,142,979,968 and 4,230 positions (4,200.07 FTE). The budget represents an increase of 25.4 percent General Fund and a total funds increase of 6.0 percent, compared to the 2017-19 Legislatively Approved Budget as of June 2019.

In general, health care costs for the Public Employees' Benefits Board (PEBB) and Oregon Educators Benefits Board (OEBB) continue to be capped at an increase of 3.4 percent per person per year during the 2019-21 biennium, with the exception of the 2.0 percent insurer assessment for PEBB. The budget maintains the existing level of health care benefits in OHP; however, OHP inflationary increases are slightly reduced based on OHA's on-going work to contain health care costs. Subsequent to the Subcommittee's recommendation, an alternative non-caseload savings adjustment will be made in the end of session bill to restore the growth target to the traditional 3.4% while still recognizing the agency's commitment to achieve efficiencies. The recommended budget makes significant investments in mental health and public health programs, and maintains both the Salem and Junction City campuses of the Oregon State Hospital at current capacity. The budget also includes administrative reductions, uses various Other Funds revenues to replace General Fund and incorporates savings that result from program changes.

The Subcommittee incorporated the agency's repricing ("reshoot") adjustments for caseload, federal match rates, and other changes since the current service level budget was developed. Also included are Emergency Board actions taken in the 2017-19 biennium that have an impact on the agency's 2019-21 budget. The changes made by the Subcommittee are described for each program area in more detail below.

Health Systems Division

The Health Systems Division (HSD) is a statewide system of integrated physical, behavioral, and oral health care supporting the triple aim of better health, better care, and lower costs by increasing access to preventative, coordinated care for Oregon's medical assistance program members and behavioral health consumers. The HSD budget is comprised of the following budget units: 1) Medicaid; 2) Non-Medicaid; and 3) Program Support and Administration. HSD Medicaid delivers health services to over one million people, primarily through OHP, which includes Medicaid, the Children's Health Insurance Program (CHIP), and Oregon's Cover All Kids medical coverage. The Non-Medicaid unit includes funds for community mental health and addictions programs for low-income people who do not qualify for Medicaid or to provide services to OHP members not covered by Medicaid. These programs provide a system of comprehensive health services to qualifying low-income Oregonians and their families to improve their health status and promote independence. The Program Support and Administration unit provides the support needed to ensure HSD as the administrative, operational, and information technology resources necessary to fulfill the Division's mission.

In developing HSD's budget, a predominate challenge was the growth in the level of state funds needed to sustain OHP absent any changes to program revenue or reductions in health care services or provider rates. The OHP General Fund budget for current service level represented a net \$922 million, or 90 percent, increase from the 2017-19 Legislatively Approved Budget. The increase was primarily a result of decreased federal Medicaid match rates (mostly due to the step down in the match rate for the Affordable Care Act caseload), the statutory sunset of provider assessment Other Funds revenue, as well as Other Funds revenues not keeping pace with inflation costs.

The Subcommittee recommended a total funds budget of \$17,246,346,999, including \$1,824,601,029 General Fund, \$16,824,779 Lottery Funds, \$3,255,806,476 Other Funds expenditure limitation, \$12,149,114,715 Federal Funds expenditure limitation, and 331 positions (320.13 FTE). The total funds budget is a 6.7 percent increase from the 2017-19 Legislatively Approved Budget as of June 2019. The General Fund budget is an increase of \$509.3 million since the 2017-19 biennium, or 38.7 percent. The General Fund recommended budget is 21.3 percent, or \$493.3 million, less than the current service level budget for the 2019-21 biennium. In summary, the table below outlines the recommended General Fund adjustments from the Division’s 2019-21 current service level:

Recommended General Fund Adjustments from CSL	General Fund Change \$ in millions
Provider Assessments / OHSU IGT	(\$553.9)
Other Funds Revenue (tobacco; marijuana taxes)	(\$16.6)
Behavioral Health Investments	\$38.9
Provider Rate Increases (Behavioral Health)	\$10.0
Caseload - Oregon Health Plan / Non-Medicaid	\$33.7
Housing, Targeted Addictions / Health Investments	\$8.0
Other Net Adjustments	(\$13.4)
General Fund Change from CSL	(\$493.3)

The Subcommittee recommended several packages related to HSD’s revenue, program investments, savings, and other budget adjustments. This includes the following packages:

Package 070, Revenue Shortfalls. This package reduces Other Funds expenditure limitation by a total of \$8.8 million from estimated changes in the availability of Tobacco Master Settlement Agreement funding, a reduction in the forecast for Tobacco Tax, and the Other Funds revenue not keeping up with inflation costs.

Package 095, December 2018 Emergency Board. This package funds actions by the December 2018 Emergency Board, which impact the 2019-21 biennial budget. This package includes increased Other Funds expenditure limitation for the OHSU Graduate Medical Education Program and a corresponding increase in Federal Funds expenditure limitation, technical adjustments, and the transfer of positions across agency divisions. Overall, this package increases General Fund by \$2.7 million, increases Other Funds expenditure limitation by \$7.4 million, and increases Federal Funds expenditure limitation by \$33.1 million.

The Subcommittee approved several other packages, of which two invest in HSD's IT systems:

Package 202, Medicaid Modularity. The Centers for Medicare and Medicaid Services (CMS) is requiring all states to plan for and implement modular technology solutions supporting Medicaid. This package adds \$2.2 million total funds, of which \$0.5 million is General Fund, to define Oregon's Medicaid Service Delivery strategic plan, assess other state's modularization approaches, identify options for modular solutions, and begin procurement activities to secure modular solutions components and services to comply with the CMS requirements.

Package 413, Behavioral Health Funding Shortfall. This package invests \$9.1 million General Fund to backfill declining Tobacco Tax and Tobacco Master Settlement Agreement funding to continue community mental health and substance abuse disorder services at their current service level.

Package 414, Behavioral Health IT System Project. This package adds \$1.5 million General Fund to support the initial stage of OHA's non-Medicaid behavioral health IT system replacement project. The intent of this project is to have a reporting system for behavioral health services which, among other things, will increase the agency's ability to gather data from providers, improve collaboration between agency programs and providers, improve caseload forecasting, and bring the agency current on required state and federal reporting. The agency shall work with the Legislative Fiscal Office (LFO) as well as the Office of the State Chief Information Officer (OSCIO) and the Chief Financial Office at the Department of Administrative Services (DAS) to show readiness to proceed with this project. DAS is requested to unschedule this funding, pending recommendations to proceed from LFO and DAS.

Package 416, CCO 2.0. As OHA continues to advance Oregon's coordinated care model with a new procurement of CCOs, also known as "CCO 2.0," the Subcommittee recommended Package 416, CCO 2.0. This package adds \$0.6 million General Fund, increases Other Funds expenditure limitation by \$0.1 million, decreased Federal Funds expenditure limitation by \$0.1 million and establishes nine positions (6.10 FTE). The package supports the establishment of a reinsurance program for CCOs, as authorized in House Bill 2267 (2019), and staff to support the increased focus included in CCO 2.0. With the new procurement of CCOs, the Subcommittee approved the following Budget Note around the CCO enrollment process:

Budget Note:

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.

The recommended budget includes a number of budget adjustments in Package 801, LFO Analyst Adjustments.

Given the decreases in federal match rates, expiring provider assessments, and other revenue issues impacting OHP, the recommended budget includes increased Other Funds revenues to offset General Fund. First, the Legislature adopted House Bill 2010, which reinstates the insurer assessment at 2.0 percent and broadens it to include stop-loss insurance premiums. The recommended budget includes General Fund savings of \$281 million as a result. Second, the budget reflects an increase in the DRG hospital assessment to six percent and an increase in the rural A/B hospital assessment to 5.5 percent, both according to the fully reimbursable assessment model. These increases, which can be done administratively by OHA within certain parameters defined by federal and state law, are based on a January 1, 2020 implementation date. The change to the DRG assessment is estimated to save \$98 million General Fund and the change to the rural A/B assessment is estimated to save \$33 million General Fund. Lastly, the budget recognizes General Fund savings from multiple budget adjustments related to the OHSU intergovernmental transfer (IGT). This includes an increase to the IGT contribution provided by OHSU, which offsets General Fund costs by \$25 million; and a total of \$116 million in savings is also achieved through updated IGT revenue estimates in accordance with program growth and through the use of on-going IGT revenue initially considered to be contingency revenue prior to the program's full biennial roll-out.

The recommended budget includes adjustments consistent with forecasted caseload changes. For Medicaid, the Spring 2019 forecast is higher by a net 18,480 compared to the Fall 2018 forecast, which was used to develop the current service level budget. Most caseload categories are forecasted to decrease or not significantly change in comparison to the Fall 2018 forecast. Notably, the Children's Medicaid caseload is expected to decrease by over 5,000. To an extent, this decrease corresponds to a forecasted increase of over 1,200 for the Children's Health Insurance Program caseload, which has a higher income eligibility threshold. In contrast to these and the forecasted changes for other caseloads, the ACA and Parent/Caretaker Relative caseloads are forecasted to increase by approximately 12,300 and 12,600, respectively. The cost of the increase in the ACA caseload is largely supported by Federal Funds given the higher federal match for this population. However, the Parent/Caretaker Relative caseload receives the traditional Medicaid match and requires a much larger amount of state funds. The overall impact of the Spring 2019 forecast for Medicaid is a General Fund cost of \$54.9 million and a Federal Funds increase of \$231.7 million. The recommended budget also includes a decrease in General Fund of \$2.8 million with a reduced level of enrollment in the Cover All Kids program compared to forecasted growth. To help address this reduced enrollment, the Subcommittee recommended an investment in the Community Outreach Program within OHA's Central Services Division.

For non-Medicaid community mental health programs, there are two caseloads that are part of the forecast process in terms of adjustments made to the budget: 1) individuals who have committed a crime and are determined to be guilty except for insanity (GEI); and 2) individuals who have been found by a court to be a danger to themselves or others or unable to provide for their own basic needs due to a mental illness and are civilly committed. Changes in the GEI and civil commitment caseloads impact the level of General Fund provided to county-based community mental health programs. The Spring 2019 forecast results in a slight increase in the GEI caseload, but a decrease in the civil commitment caseload. The result of these caseload changes is a decrease of \$18.5 million General Fund. When combined with a \$3.1 million General Fund increase at CSL based on the Fall 2018 forecast, the net budget impact for community mental health caseload changes is a decrease of \$15.4

million General Fund. Although this budget change is intended to follow the caseload forecast and not impact services, the size of this decrease has raised concerns regarding the potential impact on the community mental health system. As a result, the Subcommittee approved the following Budget Note:

Budget Note:

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.

A number of Other Funds revenue adjustments have resulted in less need for General Fund in the budget. This includes a \$7.6 million carryover of the remaining unallocated hospital assessment revenues, \$6.2 million in increased Tobacco Master Settlement Agreement revenues, \$14.2 million from increased marijuana tax revenues, and \$2.5 million in carryover Lottery Funds for veteran’s behavioral health services. On the other side, the recommended budget includes two increases to the General Fund as a result of decreased Federal or Other Funds revenues. This includes \$4.5 million from decreased Tobacco Tax forecasted revenues and \$2.7 million from a further decrease in the federal Medicaid match rate.

The recommended budget includes several changes to programs that generate General Fund savings. In order to meet budgetary targets in the 2017-19 biennium, OHA reduced the CCO Quality Incentive Pool for one year—the 2019 quality pool paid to CCOs in 2020. The budget includes a General Fund reduction of \$6.7 million to account for the 2019-21 budget impact of that reduction. The Subcommittee’s recommendation also decreased the budgeted annual expenditure growth cap to 3.3 percent for savings of \$6.7 million General Fund based on OHA’s effort to contain costs through the CCO 2.0 initiative. As mentioned above, an alternative non-caseload related savings target was identified subsequent to the Subcommittee’s recommendation and will be included in the end of session bill to restore the budgeted expenditure growth cap to 3.4 percent. The Subcommittee approved the following Budget Note related to how the agency will meet the expenditure growth benchmark, with the percentage being updated to 3.4 percent to be consistent with the revised growth target:

Budget Note:

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 3.4 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.

The Subcommittee recommended \$4.5 million General Fund to provide partial biennium support for individuals living in permanent supportive housing units. Part of this funding will remain in HSD to provide wrap-around supports for people experiencing chronic homelessness, with the remainder transferred to Oregon Housing and Community Services (OHCS) to provide rental assistance. This investment corresponds to the planned construction of 500 new permanent supportive housing units, which are not expected to be completed until the last six months of the 2019-21 biennium. Given the delayed timing with the construction of the new units, the Department of Administrative Services is requested to unschedule all of this funding except for the portion transferred to OHCS. Additionally, the recommended budget includes \$2.5 million General Fund for Project Nurture, supporting pregnant women and new mothers who struggle with addiction, and \$1.0 million General Fund for Project ECHO to increase accessibility to providers. The recommended budget also includes \$13.0 million General Fund and \$36.3 million Federal Funds expenditure limitation for Behavioral Health providers. One of the goals of this investment is to increase fee-for-service substance use disorder rates by a net 20 percent for both Medicaid and non-Medicaid services. The investment may also increase non-residential mental health rates according to the availability of funds.

Other budget adjustments include an increase of \$3.6 million General Fund for payments owed to the federal government for prescription drugs paid under Medicare Part D; an increase of \$4.3 million General Fund to continue residential services for clients who do not meet the federal eligibility requirements, however, were previously incorrectly found eligible and have been receiving services; and an increase of \$0.1 million General Fund for the Alcohol and Drug Policy Commission. The recommended budget also includes a decrease of \$4.5 million to reverse the one-time investment for transitioning OHP clients eligible for both Medicaid and Medicare from fee-for-service coverage to opting-in to CCO enrollment and also includes a decrease of \$3.6 million General Fund to reverse the phase-in of increased coverage for Hepatitis C treatment.

As part of Package 802, \$50 million General Fund behavioral health package, the HSD budget recommendation includes \$31.3 million to support investments related to recommendations from the Children and Youth with Specialized Needs workgroup, as well as other targeted behavioral health investments. This includes:

- \$1.0 million General Fund and two positions (1.50 FTE) for the System of Care Advisory Council,
- \$6.6 million General Fund and \$13.1 million Federal Funds expenditure limitation for Intensive In-Home Behavioral Health Services,
- \$3.1 million General Fund for crisis and transition services,
- \$7.6 million General Fund for community based services for Aid and Assist clients to alleviate the caseload pressure on the Oregon State Hospital,

- \$3.0 million General Fund and \$8.4 million Federal Funds expenditure limitation for Behavioral Health provider rates (included in the dollar amounts cited above for increasing provider rates), and
- \$10 million General Fund for school-based mental health consultation and treatment services and suicide prevention.

Health Policy and Analytics

Health Policy and Analytics (HPA) includes offices providing policy support, technical assistance, and access to health information statistics and tools to all organizations and providers participating in Oregon’s health system transformation, including programs within OHA. Together these offices provide services focused on achieving the triple aim of better health, better care, and lower costs. Programs included within HPA include the Office of Health Policy, Office of Health Analytics, the Office of Clinical Improvement Services, Office of Health Information Technology, and Office of Health Information Technology. HPA is supported by General Fund matched with federal Medicaid dollars. The office also receives Federal Funds through the CMS Adult Medicaid Quality grant, the Health Resources and Services Administration Primary Care grant, and Health Information Technology Electronic Health Records funds.

The Subcommittee recommended a total funds budget of \$192,247,320, which includes \$46,863,282 General Fund, \$24,912 Lottery Funds, \$31,047,462 Other Funds expenditure limitation, \$114,311,664 Federal Funds expenditure limitation, and 154 positions (144.84 FTE). The recommended total funds budget is 0.2 percent lower than the 2017-19 Legislatively Approved Budget as of June 2019. The recommended budget includes the following packages:

Package 095, December 2018 Rebalance. This package adds \$9.8 million Other Funds to reflect revenue provided by the Oregon Health Science University (OHSU) as part of the Healthy Oregon Workforce Training Opportunity Grant program and a reduction of \$13.8 million to account for the suspension of the Common Credentialing Program. This package also incorporates technical adjustments and transfers made during the December 2018 meeting of the Emergency Board. The package results in an overall General Fund decrease of \$3.5 million, Other Funds expenditure limitation decrease of \$4.1 million, Federal Funds expenditure limitation decrease of \$1.3 million and a decrease of 13 positions (12.50 FTE).

Package 411, Mental Health Clinical Advisory Group. This package increases General Fund by \$396,907 and includes federal Medicaid matching funds to support the Mental Health Clinical Advisory Group, which was re-established by Senate Bill 138 (2019). This adjustment also includes two positions to support the ongoing work of the group.

Package 416, CCO 2.0. This package adds \$2.2 million total funds, of which \$1.3 million is General Fund, to support OHA’s on-going work to advance Oregon’s coordinated care model, also known as “CCO 2.0,” to support eight new positions (6.28 FTE). These positions will be responsible for helping 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 801, LFO Analyst Adjustments. OHA received funding in 2017-19 to support providers connecting to health information exchange entities. The Subcommittee recommended one-time support of \$0.4 million General Fund, which represents the amount of unspent funds from the 2017-19 biennium, to finish this work in 2019-21. These dollars will leverage federal Medicaid funding at a 90 percent match rate.

Package 802, \$50M Behavioral Health Investment. As part of the \$50 million General Fund behavioral health investment, this package makes a number of investments in the state's behavioral health system across multiple state programs. For HPA, this package includes an increase of \$0.3 million 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).

Public Employees' Benefit Board

The Public Employees' Benefit Board (PEBB) designs, contracts for and administers health plans, group insurance policies, and flexible spending accounts for state employees and their dependents, representing over 130,000 Oregonians. PEBB is entirely funded with Other Funds through premiums collected for all insured individuals. Premiums are collected from agencies, universities, and self-pay members to directly cover the costs of the plans. Although PEBB's budget is reflected entirely as Other Funds, the agency receives its revenue from public employee health care premium payments, of which nearly 45 percent is paid with General Fund.

The Subcommittee recommended an Other Funds budget of \$2,116,635,989 and 20 positions (19.50 FTE). The budget represents a 3.4 percent funding increase over the 2017-19 Legislatively Approved Budget. The budget continues to hold PEBB's base program expenditure growth at 3.4 percent per employee per year, with the exception of the 2.0 percent premium assessment included in House Bill 2010 (2019). The Subcommittee recommended the following packages:

Package 421 – OEBC/PEBB Benefit Management System. This package increases Other Funds expenditure limitation by \$0.9 million and establishes two positions (2.00 FTE) to support the planning stage of a project to replace the benefit management systems used by PEBB and the Oregon Educators Benefit Board (OEBC) with an integrated system. The agency shall work with the Legislative Fiscal Office (LFO) as well as the Office of the State Chief Information Officer (OSCIO) and the Chief Financial Office at the Department of Administrative Services (DAS) to show progress in planning for this project. DAS is requested to unschedule this funding and reschedule funding as progress is made on this project. A similar adjustment is recommended in the OEBC budget.

Package 801 – LFO Adjustments. This package, in total, increases Other Funds expenditure limitation by \$17.0 million and eliminates one position (1.00 FTE), which provides expenditure limitation for the continuation of the insurer assessment at two percent, in accordance with House Bill 2010 (2019). The limitation associated with the two percent assessment is \$17.2 million Other Funds. The package also makes

technical adjustments resulting in a decrease of \$0.2 million Other Funds expenditure limitation through the transfer of one position (1.00 FTE) to the Office of Information Services.

Oregon Educators Benefit Board

The Oregon Educators Benefit Board (OEBB) administers medical, dental, vision, and other benefits for Oregon's school districts, community colleges, and education service districts. Cities, counties, and special districts are also eligible to join the OEBB benefits program. OEBB designs and maintains a full range of benefit plans for eligible and participating entities to offer their employees and early retirees. OEBB is entirely funded with Other Funds revenue from premium payments, which OEBB then expends to purchase insurance plans.

The Subcommittee approved a budget of \$1,740,199,515 Other Funds expenditure limitation and 20 positions (20.00 FTE). The budget represents a 1.8 percent increase compared to the 2017-19 Legislatively Approved Budget. As with PEBB, the 2019-21 budget continues to hold OEBB core program expenditure growth at 3.4 percent per employee per year. As pharmaceutical costs continue to put pressure on both OEBB and PEBB costs, the Subcommittee recommended the following Budget Note:

Budget Note:

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.

The recommended budget includes the following packages:

Package 421, OEBB/PEBB Benefit Management System. The package increases Other Funds expenditure limitation by \$0.9 million and establishes two positions (2.00 FTE) to support the planning stage of a project to replace the benefit management systems used by OEBB and the Public Employees' Benefit Board (PEBB). The agency shall work with the Legislative Fiscal Office (LFO), as well as the Office of the State Chief Information Officer (OSCIO) and the Chief Financial Office at the Department of Administrative Services (DAS) to show progress in planning for this project. DAS is requested to unschedule this funding and reschedule funding as progress is made on this project. A similar adjustment is recommended in the PEBB budget.

Package 801, LFO Analyst Adjustments. This package decreases Other Funds expenditure limitation by \$0.2 million, which reflects the transfer of one position (1.00 FTE) to the Office of Information Services.

Public Health

Public Health administers a variety of programs addressing behavioral and social drivers of health by working to ensure physical and social environments promote health and make it easier for people to make healthy choices. Public Health programs can complement investments in

health care programs by focusing on prevention and have the potential to reduce the need for costly health care services. Oregon's public health system includes federal, state, counties and local agencies, private organizations and other partners. Public Health operates some programs directly and funds and coordinates other programs through local health departments across the state.

The Subcommittee recommended a budget for Public Health of \$730,159,914 total funds, which includes \$92,315,337 General Fund, \$218,382,068 Other Funds expenditure limitation, \$40,000,000 Other Funds Nonlimited, \$276,733,458 Federal Funds expenditure limitation, \$102,729,051 Federal Funds Nonlimited, and 763 positions (753.89 FTE). The budget represents a total funds increase of 11.8 percent and a General Fund increase of 41.3 percent compared to the 2017-19 Legislatively Approved Budget as of June 2019. The change in General Fund is largely due to increased support for Public Health Modernization, new funding for a voluntary universal home visiting program, and the backfill of declining medical marijuana revenue. The recommended budget includes the following packages:

Package 081, September 2018 Eboard Actions. This package reflects the 2019-21 biennium effect of actions taken at the September 2018 meeting of the Emergency Board, increasing General Fund by \$0.2 million and establishing one position (1.00 FTE) for the Drinking Water Services program.

Package 095, December 2018 Rebalance. This package reflects the 2019-21 biennium effect of actions taken at the December 2018 meeting of the Emergency Board. The package increases General Fund by \$0.7 million, increases Other Funds expenditure limitation by \$17.6 million, increases Federal Funds expenditure limitation by \$11.8 million and adds nine positions (9.50 FTE). The increase in General Fund and Other and Federal Funds expenditure limitation is for various grants received by the agency, returning the Wallowa County Public Health program to OHA, adjusting limitation for the Immunization project, truing up positions within the program, and other transfers and technical adjustments.

Package 401, Universal Home Visiting. This package increases General Fund by \$2.9 million, increases Federal Funds expenditure limitation by \$1.8 million and establishes four positions (3.00 FTE) to implement a new voluntary universal nurse home visiting program for families with newborns. In order for coverage of these services to be available for all Oregon families, Senate Bill 526 (2019) requires health benefit plans offered in Oregon to reimburse the cost of the newborn home visiting services without any cost-sharing. For those who do not have health care through the commercial market, OHA is seeking a Medicaid State Plan Amendment for these services to be available to families who receive health care through the Oregon Health Plan. The Public Health Division will design the program consistent with the Family Connects home visiting model and implement it over a three-biennia period.

Package 405, Public Health Modernization. This package increases General Fund by \$10.0 million, increases Federal Funds expenditure limitation by \$0.3 million and establishes six positions (5.28 FTE) to advance Public Health Modernization activities. The additional investment will increase communicable disease prevention and response activities, support efforts to improve health equity, increase emergency response planning, and help develop tribal modernization plans, among other key modernization priorities.

Package 417, State Support for Local Public Health. This package reduces Other Funds expenditure limitation by \$5.5 million and increases General Fund by the same amount. The General Fund is being used to backfill declining medical marijuana revenue that is used to support local public health authorities. In the past, this revenue had been used to replace General Fund in several core public health programs, including support for local public health authorities, Drinking Water Services, Emergency Medical Services, and others. Laws passed during the 2015, 2016 and 2017 Legislative Sessions related to recreational marijuana have significantly reduced medical marijuana program revenue. In 2017-19, the Legislature approved \$12.1 million General Fund to mitigate this issue across multiple Public Health programs, leaving state support for local public health authorities as the last non-medical marijuana program to still have a budget dependent on this revenue stream.

Package 418, Drinking Water Services Fees. This package increases Other Funds expenditure limitation by \$1.9 million and establishes five positions (5.00 FTE) related to revised Drinking Water Services fees in Senate Bill 27 (2019).

Package 419, Food, Pool, & Lodging fees. This package increases Other Funds expenditure limitation by \$0.1 million related to increased food, pool, and lodging fees in Senate Bill 28 (2019).

Package 420, Toxic Fee Kids Program. This package increases Other Funds expenditure limitation by \$0.1 million through the establishment of a waiver application fee through the administrative rules process for the Toxic Free Kids program.

Package 801, LFO Analyst Adjustments. This package decreases General Fund by \$0.2 million, increases Other Funds expenditure limitation by \$12.0 million and reduces the program by one position (1.00 FTE). The package includes technical adjustments, vacancy savings of \$0.2 million General Fund and recognizes a decrease of \$266,426 in tobacco tax revenue available for tobacco prevention and cessation programs based on the May 2019 revenue forecast. The package also trues up the limitation for CARE Assist and adjusts limitation for the Oregon Medical Marijuana Program.

Oregon State Hospital

The Oregon State Hospital (OSH) is an integral part of the statewide behavioral health system by providing psychiatric care for adults from all 36 counties at OSH's Salem and Junction City campuses. The hospital's primary goal is to help people recover from their mental illness and return to life in their communities. The hospital has gone through significant programmatic changes in the past several years, underscored by the closure of the Blue Mountain Recovery Center in Pendleton and the Portland campus. The two remaining campuses have the capacity to serve up to 766 individuals, with 592 beds in Salem and 174 beds in Junction City.

During the 2017-19 biennium, the hospital initiated an effort to increase insurance reimbursements, primarily in Medicare. This effort, however, has not realized the level of reimbursement revenues originally anticipated. The OSH 2017-19 legislatively approved budget included an additional \$40.5 million Other Funds with a reduction of General Fund of \$30 million. Due to significant delays and challenges in implementing the needed billing infrastructure and staffing set-backs, reimbursements have fallen short. The recommended budget continues to rely on

increased revenues from reimbursements for the 2019-21 biennium, due to the hospital's ongoing work to assess and resolve these challenges. In the interim, the agency shall continue to monitor revenue collections for the hospital, and report to LFO and DAS CFO on progress. The agency shall also include updates on revenues collected and present other solutions, as needed, to address the revenue shortfall in each 2019-21 Budget Rebalance Report submitted to the Legislature.

The budget approved by the Subcommittee is \$608,572,863 total funds, which includes \$499,314,517 General Fund, \$70,328,792 Other Funds expenditure limitation, \$38,929,554 Federal Funds expenditure limitation, 2,284 positions (2,283.82 FTE). The recommended total funds budget is 4.9 percent higher than the 2017-19 Legislatively Approved Budget. The General Fund budget decreased 1.9 percent as the hospital addresses the challenges relating to generate increasing amounts of Other Funds revenue through Medicare billing. The recommended budget includes the following packages:

Package 095, December 2018 Rebalance. This package reflects the 2019-21 biennium effect of actions taken at the December 2018 meeting of the Emergency Board; which made program transfers between OHA divisions and also reclassified positions with a net zero impact to the hospital.

Package 801, LFO Analyst Adjustments. This package includes three adjustments related to current costs in the hospital for an overall increase of \$4.5 million General Fund. This includes a General Fund increase of \$1.0 million to support ligature removal, facility alterations, and other environmental changes to reduce the risk of patient injury and suicide. This investment is consistent with conforming to heightened safety requirements by the Centers for Medicare and Medicaid and The Joint Commission. The package also includes an increase of \$1.6 million General Fund for hepatitis C treatment and \$1.9 million General Fund to pay for contractual nursing staff shift differential costs.

Central Services, Shared Services, and State Assessments and Enterprise-wide Costs

Core administrative functions for OHA are divided into Central Services, Shared Services, and State Assessments and Enterprise-Wide Costs (SAEC). Central Services provide the leadership and business support for the agency's mission, such as the director's office, external relations, agency operations, fiscal division, and the Office of Equity and Inclusion. Shared Services supports certain business functions for both OHA and the Department of Human Services regardless of where each function is housed. OHA Shared Services contains the Office of Information Services and the Information Security and Privacy Office. SAEC is the budget structure for payments to Department of Administrative Services (DAS) and third parties for goods and services that serve the whole agency, such as facility rents, state data center charges, DAS risk assessment, DAS government services charges, unemployment assessments, mass transit taxes, computer replacement, and debt service. SAEC is funded based on cost allocation statistics, which determine the distribution of expenditures to OHA and DHS Shared Services and the revenue distribution by General Fund, Other Funds limited and Federal Funds limited.

The Subcommittee's recommended budget for these administrative functions is \$508,817,368 total funds, which includes \$249,683,857 General Fund, \$248,309 Lottery Funds, \$199,125,947 Other Funds expenditure limitation, \$56,292,045 Federal Funds expenditure limitation, \$3,467,210

Federal Funds Nonlimited, and 658 positions (657.89 FTE). The budget represents a total funds increase of 5.1 percent and General Fund increase of 9.5 percent compared to the 2017-19 Legislatively Approved Budget as of June 2019. The recommended budget includes the following packages:

Package 070, Revenue Shortfalls. This package reduces Other Funds expenditure limitation by \$2.7 million and reduces Federal Funds expenditure limitation by \$2.4 million to align expenditure limitation with the level of revenue available and needed to support SAEC costs.

Package 095, December 2018 Rebalance. This package reflects the 2019-21 biennium effect of actions taken at the December 2018 meeting of the Emergency Board. The package increases General Fund by \$0.5 million, increases Other Funds expenditure limitation by \$27,164, increases Federal Funds expenditure limitation by \$0.2 million and adds five positions (5.00 FTE). A key component in this package is the expansion of the Ombudsman Program.

Package 208, Centralized Abuse Management System. This package adds \$0.4 million in Other Funds expenditure limitation to support the ongoing maintenance and additional enhancements of the DHS Centralized Abuse Management System. This is the OHA portion of this package for the Shared Services Office of Information Services, the funding for the package is included in the DHS 2019-21 budget.

Package 801, LFO Analyst Adjustments. This package adds \$5.8 million General Fund, increases Other Funds expenditure limitation by \$0.7 million, increases Federal Fund expenditure limitation by \$4.2 million and adds 33 positions (33.78 FTE). The recommendation reduces budgeted inflation by \$1.2 million General Fund as a cost-savings measure; trues-up position counts (no dollar impact); and adjusts Other Funds expenditure limitation to reflect the Shared Services component of the Centralized Abuse Management System. The Community Partner Outreach Program was transferred from OHA to the Department of Human Services (DHS) as part of the transfer of Medicaid eligibility services in 2017-19. Based on the subsequent determination by DHS and OHA that this program was not sufficiently related to Medicaid eligibility determinations, the program has been returned to OHA. This includes the transfer of \$5.0 million General Fund and 21 positions from DHS to OHA. In addition to the return of this program to OHA, the budget adds one-time support of \$2.4 million General Fund to increase outreach for the Cover All Kids program.

Package 803, Comprehensive CW Info System. This package increases Other Funds expenditure limitation by \$2.8 million and establishes nine positions (9.00 FTE). This package adjusts Other Funds expenditure limitation to reflect the Shared Services component of the Child Welfare Information Systems Project, which is funded in the DHS budget.

Summary of Maximum Supervisory Ratio

The Subcommittee reviewed the agency's proposed Maximum Supervisory Ratio of 1:8.36.

Summary of Performance Measure Action

See attached "Legislatively Approved 2019-2021 Key Performance Measures."

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Health Authority
Kate Nass - 503-378-5442

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2017-19 Legislatively Approved Budget at June 2019 *	\$ 2,162,870,267	\$ 12,498,909	\$ 7,794,873,473	\$ 40,000,000	\$ 11,714,407,633	\$ 106,457,226	\$ 21,831,107,508	4,200	4,281.80
2019-21 Current Service Level (CSL)*	\$ 3,176,978,132	\$ 13,035,809	\$ 6,872,981,111	\$ 40,000,000	\$ 11,608,886,871	\$ 106,196,261	\$ 21,818,078,184	4,121	4,096.47
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 030-01 - Health Systems Division									
Package 070: Revenue Shortfall									
Tobacco Tax Forecast	\$ -	\$ -	\$ (1,100,000)	\$ -	\$ -	\$ -	\$ (1,100,000)		
Tobacco Master Settlement Agreement	\$ -	\$ -	\$ (1,719,767)	\$ -	\$ -	\$ -	\$ (1,719,767)		
Insufficient Other Funds revenue to cover CSL	\$ -	\$ -	\$ (5,971,180)	\$ -	\$ -	\$ -	\$ (5,971,180)		
Package 095: Dec-18 Rebalance									
Technical Adjustments/Transfers	\$ 2,725,987	\$ -	\$ 7,362,657	\$ -	\$ 33,124,161	\$ -	\$ 43,212,805	15	14.50
Package 202: Medicaid Modularity									
Planning for Modular Technology Solutions	\$ 547,409	\$ -	\$ -	\$ -	\$ 1,677,969	\$ -	\$ 2,225,378	3	3.00
Package 413: Behavioral Health Funding Shortfall									
Backfill declining Tobacco Tax/Tobacco Settlement Rev.	\$ 9,132,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,132,500		
Package 414: Behavioral Health IT System Project									
Planning for non-Medicaid BH IT system replacement	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	2	1.76
Package 416: CCO 2.0									
Staffing and Reinsurance Program (SB 2267)	\$ 585,286	\$ -	\$ 70,828	\$ -	\$ (106,409)	\$ -	\$ 549,705	9	6.10
Package 801: LFO Analyst Adjustments									
Insurer assessment - increase to 2%	\$ (281,000,000)	\$ -	\$ 326,000,000	\$ -	\$ 134,000,000	\$ -	\$ 179,000,000		
DRG hospital assessment adjustment	\$ (98,000,000)	\$ -	\$ 135,000,000	\$ -	\$ 97,000,000	\$ -	\$ 134,000,000		
OHSU Inter-governmental transfer adjustments	\$ (141,000,000)	\$ -	\$ 165,667,000	\$ -	\$ 70,819,000	\$ -	\$ 95,486,000		
Rural A/B hospital assessment	\$ (33,000,000)	\$ -	\$ 46,000,000	\$ -	\$ 33,000,000	\$ -	\$ 46,000,000		
Hospital Assessment carryover and DSH	\$ (7,576,561)	\$ -	\$ 30,000,000	\$ -	\$ 36,476,561	\$ -	\$ 58,900,000		
CCO Quality Incentive Pool	\$ (6,700,000)	\$ -	\$ -	\$ -	\$ (25,000,000)	\$ -	\$ (31,700,000)		
Rural hospital initiative carryover	\$ -	\$ -	\$ 1,737,628	\$ -	\$ -	\$ -	\$ 1,737,628		
Dual eligibles - reverse one-time 2017-19 investment	\$ (4,500,693)	\$ -	\$ -	\$ -	\$ (9,468,099)	\$ -	\$ (13,968,792)		
Reverse phase-in of hepatitis C 2017-19 funding	\$ (3,564,000)	\$ -	\$ -	\$ -	\$ (30,584,343)	\$ -	\$ (34,148,343)		
Hold CCO inflation to 3.3%	\$ (6,700,000)	\$ -	\$ -	\$ -	\$ (25,000,000)	\$ -	\$ (31,700,000)		
Medicaid caseload forecast - Spring 2019	\$ 54,900,179	\$ -	\$ -	\$ -	\$ 231,677,131	\$ -	\$ 286,577,310		
Non-Medicaid caseload forecast - Spring 2019	\$ (18,459,935)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (18,459,935)		
Cover All Kids caseload forecast - Spring 2019	\$ (2,775,965)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,775,965)		
Rental Assistance - permanent supportive housing	\$ 4,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,500,000		
Project Nurture	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000		
Project ECHO	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000		
1915i eligibility changes for residential services	\$ 4,333,459	\$ -	\$ -	\$ -	\$ 1,484,454	\$ -	\$ 5,817,913		
Part D Clawback and Federal Funds limitation	\$ 3,539,207	\$ -	\$ -	\$ -	\$ 406,046,264	\$ -	\$ 409,585,471		
FMAP match rate change	\$ 2,652,000	\$ -	\$ 93,000	\$ -	\$ (2,745,000)	\$ -	\$ -		
Marijuana tax revenue adjustment	\$ (14,236,000)	\$ -	\$ 14,236,000	\$ -	\$ -	\$ -	\$ -		
Tobacco tax forecast Medicaid - May 2019	\$ 4,058,000	\$ -	\$ (4,058,000)	\$ -	\$ -	\$ -	\$ -		
Tobacco tax forecast non-Medicaid- May 2019	\$ 484,000	\$ -	\$ (484,000)	\$ -	\$ -	\$ -	\$ -		
Tobacco Master Settlement revenue	\$ (6,200,000)	\$ -	\$ 6,200,000	\$ -	\$ -	\$ -	\$ -		
Correction of CSL tobacco tax adjustment	\$ (679,979)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (679,979)		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Use Lottery Funds for veterans' behavioral health	\$ (2,500,000)	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -		
Alcohol and Drug Policy Commission	\$ 93,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,590	(1)	0.00
Vacancy savings	\$ (356,166)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (356,166)		
Lottery forecast - May 2019	\$ -	\$ 1,562,191	\$ -	\$ -	\$ -	\$ -	\$ 1,562,191		
Primary & Behavioral Health Care grant	\$ -	\$ -	\$ -	\$ -	\$ 4,500,000	\$ -	\$ 4,500,000		
Supplemental State Opioid Response grant	\$ -	\$ -	\$ -	\$ -	\$ 4,109,241	\$ -	\$ 4,109,241		
Other Funds limitation true-up	\$ -	\$ -	\$ (2,418,160)	\$ -	\$ -	\$ -	\$ (2,418,160)		
Technical adjustments and transfers	\$ 189,276	\$ -	\$ 27,660	\$ -	\$ (75,475)	\$ -	\$ 141,461		
Position true-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1	1.00
BH provider rates	\$ 10,000,000	\$ -	\$ -	\$ -	\$ 27,900,000	\$ -	\$ 37,900,000		
Package 802: \$50M Behavioral Health Investment									
System of Care Advisory Council	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	2	1.50
Intensive In-Home Behavioral Health Services	\$ 6,575,316	\$ -	\$ -	\$ -	\$ 13,064,484	\$ -	\$ 19,639,800		
Crisis and transition services	\$ 3,070,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,070,000		
Aid and Assist Community Investments	\$ 7,612,914	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,612,914		
BH provider rates	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 8,400,000	\$ -	\$ 11,400,000		
School-Based Mental Health/Suicide Prevention	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000	3	2.64
SCR 030-02 - Health Policy and Analytics									
Package 095: Dec-18 Rebalance									
Health Care Provider Incentive Fund	\$ -	\$ -	\$ 9,757,200	\$ -	\$ -	\$ -	\$ 9,757,200		
Oral Health Grant	\$ -	\$ -	\$ -	\$ -	\$ 799,975	\$ -	\$ 799,975	2	2.00
Oregon Common Credentialing Program	\$ -	\$ -	\$ (13,814,870)	\$ -	\$ -	\$ -	\$ (13,814,870)		
Technical adjustments and transfers	\$ (3,472,428)	\$ -	\$ (81,723)	\$ -	\$ (2,115,101)	\$ -	\$ (5,669,252)	(15)	(14.50)
Package 411: Mental Health Clinical Advisory Group									
Staffing support for Advisory Group - SB 138	\$ 396,907	\$ -	\$ -	\$ -	\$ 321,637	\$ -	\$ 718,544	2	2.00
Package 416: CCO 2.0									
Staffing for CCO 2.0 and SB 23	\$ 1,260,863	\$ -	\$ -	\$ -	\$ 907,822	\$ -	\$ 2,168,685	8	6.28
Package 801: LFO Analyst Adjustment									
Health Information Exchange onboarding (One-time)	\$ 420,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 420,000		
Vacancy savings	\$ (194,349)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (194,349)		
Package 802: \$50M Behavioral Health Investment									
Behavioral Health Homes	\$ 325,054	\$ -	\$ -	\$ -	\$ 235,446	\$ -	\$ 560,500	2	1.76
SCR 030-03 - PEBB									
Package 421: OEBC/PEBB Benefit Magement System									
Planning to replace OEBC/PEBB Benefit Mgmt System	\$ -	\$ -	\$ 908,395	\$ -	\$ -	\$ -	\$ 908,395	2	2.00
Package 801: LFO Analyst Adjustments									
2% insurer assessment	\$ -	\$ -	\$ 17,210,000	\$ -	\$ -	\$ -	\$ 17,210,000		
Technical adjustments and transfers	\$ -	\$ -	\$ (253,865)	\$ -	\$ -	\$ -	\$ (253,865)	(1)	(1.00)

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 030-04 - OEGB									
Package 421: OEGB/PEBB Benefit Magement System									
Planning to replace OEGB/PEBB Benefit Mgmt System	\$ -	\$ -	\$ 897,707	\$ -	\$ -	\$ -	897,707	2	2.00
Package 801: LFO Analyst Adjustment									
Technical adjustments and transfers	\$ -	\$ -	\$ (225,062)	\$ -	\$ -	\$ -	(225,062)	(1)	(1.00)
SCR 030-05 - Public Health									
Package 081: September-18 Eboard Action									
Drinking Water Program	\$ 245,621	\$ -	\$ -	\$ -	\$ -	\$ -	245,621	1	1.00
Package 095: Dec-18 Rebalance									
WIC information system grant	\$ -	\$ -	\$ -	\$ -	\$ 960,879	\$ -	960,879		
Opioid response grant	\$ -	\$ -	\$ -	\$ -	\$ 382,464	\$ -	382,464		
HITECH Meaningful Use grant	\$ -	\$ -	\$ -	\$ -	\$ 9,531,620	\$ -	9,531,620		
Return Wallowa county PH status to OHA	\$ 134,663	\$ -	\$ -	\$ -	\$ -	\$ -	134,663		
Immunization program limitation adjustment	\$ -	\$ -	\$ 10,367,177	\$ -	\$ -	\$ -	10,367,177		
Limitation and position true-ups	\$ -	\$ -	\$ 7,205,693	\$ -	\$ 321,530	\$ -	7,527,223	8	8.50
Technical adjustments and transfers	\$ 521,349	\$ -	\$ 64,952	\$ -	\$ 575,646	\$ -	1,161,947	1	1.00
Package 401: Universal Home Visiting									
Home Visiting - SB 526 and Medicaid State Plan Amendments	\$ 2,856,925	\$ -	\$ -	\$ -	\$ 1,834,405	\$ -	4,691,330	4	3.00
Package 405: Public Health Modernization									
Advance PH Modernization activities	\$ 10,000,000	\$ -	\$ -	\$ -	\$ 343,287	\$ -	10,343,287	6	5.28
Package 417: State Support for Local Public Health Entities									
Backfill declining medical marijuana revenues	\$ 5,480,601	\$ -	\$ (5,480,601)	\$ -	\$ -	\$ -	-		
Package 418: Drinking Water Services fees									
Revised Drinking Water Services fees per SB 27	\$ -	\$ -	\$ 1,853,297	\$ -	\$ -	\$ -	1,853,297	5	5.00
Package 419: Food, Pool, & Lodging fees									
Increased food, pool and lodging fees per SB 28	\$ -	\$ -	\$ 64,450	\$ -	\$ -	\$ -	64,450		
Package 420: Toxic Free Kids program									
Waiver application fee for Toxic Free Kids program	\$ -	\$ -	\$ 111,511	\$ -	\$ -	\$ -	111,511		
Package 801: LFO Analyst Adjustments									
CARE Assist true-up	\$ -	\$ -	\$ 11,606,406	\$ -	\$ -	\$ -	11,606,406		
OMMP limitation adjustment	\$ -	\$ -	\$ 878,280	\$ -	\$ -	\$ -	878,280		
Vacancy savings	\$ (216,586)	\$ -	\$ -	\$ -	\$ -	\$ -	(216,586)		
Tobacco tax - May 2019 forecast	\$ -	\$ -	\$ (266,426)	\$ -	\$ -	\$ -	(266,426)		
Technical adjustments and transfers	\$ -	\$ -	\$ (240,884)	\$ -	\$ -	\$ -	(240,884)	(1)	(1.00)
SCR 030-06 - Oregon State Hospital									
Package 095: Dec-18 Rebalance									
Technical adjustments and transfers	\$ 459,634	\$ -	\$ (11,871)	\$ -	\$ 137,240	\$ -	585,003	1	1.00
Package 801: LFO Analyst Adjustment									
Suicide prevention / ligature removal	\$ 967,310	\$ -	\$ -	\$ -	\$ -	\$ -	967,310		
Nursing staff shift differentials	\$ 1,942,248	\$ -	\$ -	\$ -	\$ -	\$ -	1,942,248		
Hepatitis C treatment	\$ 1,631,971	\$ -	\$ -	\$ -	\$ -	\$ -	1,631,971		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCRs 010-040, 010-045, 010-050 - Central Svcs, Shared Svcs, SAEC									
Package 070: Revenue Shortfall									
Insufficient Other Funds revenue to cover CSL	\$ -	\$ -	\$ (2,651,235)	\$ -	\$ (2,434,183)	\$ -	\$ (5,085,418)		
Package 095: Dec-18 Rebalance									
Technical adjustments and transfers	\$ 515,458	\$ -	\$ 27,164	\$ -	\$ 185,022	\$ -	\$ 727,644	5	5.00
Package 208: Centralized Abuse Management System									
Operations and Maint of System - Funded in DHS Budget	\$ -	\$ -	\$ 446,578	\$ -	\$ -	\$ -	\$ 446,578	2	2.00
Package 801: LFO Analyst Adjustments									
Vacancy savings	\$ (232,899)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (232,899)	0	0.00
Community Partner Outreach - ONE-TIME	\$ 2,360,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,360,000		
Community Partner Outreach - transfer from DHS	\$ 4,963,716	\$ -	\$ 187,096	\$ -	\$ 4,553,236	\$ -	\$ 9,704,048	21	21.00
Position and FTE true-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4	4.78
Inflation reduction	\$ (1,244,974)	\$ -	\$ (175,368)	\$ -	\$ (500,895)	\$ -	\$ (1,921,237)	0	0.00
Technical adjustments and transfers	\$ (71,018)	\$ -	\$ 700,311	\$ -	\$ 154,596	\$ -	\$ 783,889	8	8.00
Package 803: Comprehensive CW Info System									
CW Info System - Funded in DHS Budget	\$ -	\$ -	\$ 2,817,160	\$ -	\$ -	\$ -	\$ 2,817,160	9	9.00
TOTAL ADJUSTMENTS	\$ (464,200,110)	\$ 4,062,191	\$ 758,545,138	\$ -	\$ 1,026,494,565	\$ -	\$ 1,324,901,784	109	103.60
SUBCOMMITTEE RECOMMENDATION *	\$ 2,712,778,022	\$ 17,098,000	\$ 7,631,526,249	\$ 40,000,000	\$ 12,635,381,436	\$ 106,196,261	\$ 23,142,979,968	4,230	4,200.07
% Change from 2017-19 Leg Approved Budget	25.4%	36.8%	(2.1%)	0.0%	7.9%	(0.2%)	6.0%	0.7%	(1.9%)
% Change from 2019-21 Current Service Level	(14.6%)	31.2%	11.0%	0.0%	8.8%	0.0%	6.1%	2.6%	2.5%

*Excludes Capital Construction Expenditures

PRELIMINARY

Legislatively Approved 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 Approved 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 Approved 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 Approved 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:

The Human Services Subcommittee approved the Key Performance Measures and targets.

PRELIMINARY