

SUBCOMMITTEE RECOMMENDATION

Item 11: Oregon Health Authority Fall 2022 Rebalance Report

To:	Emergency Board Full Committee
From:	Human Services Subcommittee
Carrier:	Senator Manning

The Human Services Subcommittee recommends that the Emergency Board acknowledge receipt of the Oregon Health Authority's financial status report, with the understanding the Legislative Fiscal Office will develop recommendations for budgetary changes to be included in a budget reconciliation bill during the 2023 legislative session.

OHA's second budget rebalance report of the biennium identifies net General Fund savings of \$126 million, a total funds increase of \$1.5 billion, and the need for 37 positions (11.06 FTE).

OHA reports that the extension of the federal public health emergency is estimated to increase Oregon Health Plan caseload costs by \$242 million General Fund due to individuals remaining on the caseload for a longer period of time. This cost is offset by the related extension of the enhanced federal Medicaid match rate, which saves \$255 million General Fund. Additional General Fund savings of over \$90 million is available due to lower average health care utilization among coordinated care and fee-for-service caseload members.

The report also identifies an increase of \$57 million General Fund in transfer payments to the Oregon Health and Science University consistent with statutory Medicaid reimbursement requirements. Other major General Fund changes reported by OHA

include \$38 million in savings from drug rebates and nearly \$30 million in savings from Other Funds carryover and vacancy savings across the agency.

Subsequent to this report, a rebalance plan is expected to be finalized and included in a budget reconciliation bill during the 2023 session.

The Subcommittee recommends approval.