



STATE OF OREGON
Office of the Governor
KATE BROWN

Oregon for All - Health Agenda

Governor's Recommended Budget 2021-23

All Oregonians must have quality, affordable health care, regardless of who they are or where they live. Under Governor Brown's leadership, 94 percent of Oregonians and 100 percent of children have access to health care. The Governor's Recommended Budget for the Oregon Health Authority (OHA) makes targeted investments to address health inequities in Oregon and the needs of Oregonians suffering from mental health and substance use disorders, while continuing the state's commitment to ensuring that Oregonians have access to affordable health care coverage as a foundational element of reducing health disparities.

In the face of the unprecedented challenges of COVID-19 and wildfires, the Governor's Recommended Budget reflects a deep commitment to addressing health disparities, which are rooted in historical injustices. The budget also reflects Oregon's focus on improving critical health care outcomes through strategic investments and cost savings measures—all while preserving health care benefits and sustaining Oregon's model of health care coverage, quality, and cost.

Budget Highlights:

The Governor's Recommended Budget represents a 16% general fund increase to the Oregon Health Authority from the 2019-2021 biennium. The Governor's budget reduces health inequities while improving outcomes by:

- Providing significant, targeted investments to address health disparities;
- Investing in public health modernization to strengthen our public health systems especially as they respond to a once-in-a-generation pandemic;
- Focusing on creating a simple, meaningful, and responsive behavioral health system;
- Maintaining coverage for the 1.4 million Oregonians receiving health care coverage through the Oregon Health Plan and Cover All Kids and expanding coverage through a pilot health care coverage program for uninsured, undocumented adults;
- Maintaining a sustainable rate of cost growth in Medicaid, PEBB and OEBC;
- Continuing funding for the Oregon Reinsurance Program which saves Oregonians an average of 6 percentage points on their health insurance premiums in the individual market;

Address Coverage Gaps & Increasing Access to Health Care:

- Funds Cover All People, a pilot program to provide state-based coverage to undocumented adults, DACA recipients, legal residents, and young adults who age out of Cover All Kids, \$10M.
- Funds Compact of Free Association (COFA) premium assistance program and dental coverage for COFA residents, \$2.6M.
- Lays the policy groundwork to further explore an Oregon Public Option aimed at increasing choice while reducing costs for Oregon consumers, \$200,000.
- Funds high-quality reproductive health services for the Oregon Health Plan (OHP), \$2M.
- Improves access to the Oregon Health Plan (OHP) by funding the Community Partners & Outreach Program to provide health services navigation, and improve language access and quality, \$7.8M.
- Funding to support traditional health worker licensing program, \$600,000.
- Continue to build on Oregon Regional Health Equity Coalitions, \$5.8M.

Strengthen Public Health Systems:

- Invests in core public health capacity for community-based organizations, local public health authorities, and tribal governments to help modernize the state's public health system, \$30M.

Improve Native American & Tribal Health

- Establishes an Indian Managed Care Entity (IMCE) to provide critical care and coordination of services to tribal members on OHP, \$1.4M.
- Creates a new Tribal Traditional Health Worker Program category for Indian healthcare providers that supports tribal-based practices, \$200,000.
- Increases Medicaid funding to support tribal-based practices and strengthens pathways for further developing a tribal behavioral health workforce, \$500,000.

Cost Containment in Health Care

- Value-Based Payments – Promotes the adoption of value-based payments in Oregon. The Governor's Budget includes savings of \$12 million General Fund associated with the adoption of value-based payments by hospitals. PEBB and OEBB will also seek to adopt value-based payment methodologies to address cost and quality of health care provided to members, \$1.5M.
- Sustainable Cost Growth – The Governor's Budget maintains benefits and eligibility for the Oregon Health Plan; it includes savings of \$21 million from reducing DRG hospital rates from 80% to 76% of Medicare and another \$40.7 million by funding Coordinated Care Organizations at 2.9% rather than 3.4% inflation.
- Aligning Purchasing Power – The Governor's Budget invests \$1.6 million for staff and contracts needed to increase public sector participation in plans offered by PEBB and OEBB, increasing the plan's bargaining power.
- Pharmacy – Invests in staffing to pursue cost reduction strategies, including coordinated pharmacy purchasing among public sector purchasers in Oregon and in other states, \$900,000.

Data Equity:

- The Governor's budget funds Sexual Orientation and Gender Identity (SOGI) data collection and a statewide trauma-informed training program that provides technical assistance and support to providers. The budget funds continued implementation of race, ethnicity, language, disability data (REALD) and community-validated and community-driven data collection, \$5M.

Workforce, Behavioral Health & Substance Use Disorder:

The Governor's Budget investments in behavioral health including substance use disorder was informed by recommendations from the Alcohol and Drug Policy Commission (ADPC) Strategic Plan, the Tribal Behavioral Health Strategic Plan, and the Governor's Behavioral Health Advisory Council as vetted by the Racial Justice Council Health Equity Committee.

- Workforce Diversification – Creates more and better pathways to diversify Oregon's behavioral health and medical workforces so that they better reflect the communities they are serving; allots seed funding for increased scholarships, tuition reimbursement, enhanced reimbursement rates for culturally-specific services; and establishing culturally-specific internships and clinical placements, \$27.5M.
- Substance Use Disorder 1115 Waiver – Invests in substance use disorder treatment services, crisis intervention services and peer support services to help Oregonians recover from the disease of substance use disorders, \$11.5M.
- Measure 110 – Implement Measure 110, which decriminalizes possession of drugs and uses Marijuana Tax revenues to support drug treatment services. Reduced Marijuana Tax revenues for OHA's current behavioral health services were backfilled with General Fund, \$23.8M.
- Community Behavioral Health Services – Expand residential services for young adults, \$5M; fund peer run respite care centers, \$2.4M; increase fee-for-service rates for behavioral health services including for treatment of co-occurring behavioral health and substance use disorders, \$10.1M; invest in psychiatric residential treatment facilities, \$7.5M; and support the Alcohol and Drug Policy Commission's strategic plan, \$200,000; invest in community-based services and care coordination designed to reduce the influx of people from the criminal justice system into the Oregon State Hospital (Aid and Assist), \$19.3M.
- Services Targeted to Child Welfare – Invest in crisis and transition services, \$1.3M; and invest in interdisciplinary assessment teams for children and families involved in the child welfare system, \$5.7M.
- Measure 109 Psilocybin – Begins implementation of the ballot measure which legalized psilocybin for medicinal use as a potential treatment for behavioral health disorders, \$4.2M.