

**HB 3159 A BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

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**Reviewed By:** Haylee Morse-Miller, Legislative Fiscal Office

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**Oregon Health Authority  
2021-23**

PRELIMINARY

**Budget Summary\***

	2019-21	2021 - 23	2021-23	Committee Change from 2019-21	
	Legislatively Approved Budget <sup>(1)</sup>	Current Service Level	Committee Recommendation	Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 9,768,195	\$ 9,768,195	100.0%
Other Funds Limited	\$ -	\$ -	\$ 5,624,767	\$ 5,624,767	100.0%
Federal Funds Limited	\$ -	\$ -	\$ 2,842,387	\$ 2,842,387	100.0%
Total	\$ -	\$ -	\$ 18,235,349	\$ 18,235,349	100.0%

**Position Summary**

Authorized Positions	0	0	43	43
Full-time Equivalent (FTE) positions	0.00	0.00	32.25	32.25

<sup>(1)</sup> Includes adjustments through January 2021

\* Excludes Capital Construction expenditures

**Summary of Revenue Changes**

HB 3159 appropriates \$9.8 million General Fund to the Oregon Health Authority (OHA) for the purposes of the bill. Other Funds and Federal Funds revenues for the Central Services Division and the State Assessments and Enterprise-wide Costs divisions come via cost allocation models for those divisions. Other Funds for the Shared Services Division come from direct charges to General Fund and Federal Funds in other parts of OHA.

**Summary of Human Services Subcommittee Action**

HB 3159 requires coordinated care organizations, health care providers, and health insurers, to collect data on race, ethnicity, preferred spoken and written languages, disability status, sexual orientation, and gender identity from the organization’s patients, clients, or members. These organizations must provide this data to OHA annually. OHA may provide incentives to entities impacted by this measure to assist with the costs of making changes to electronic health records systems to ensure this data is collected. OHA is directed to establish a system to collect the data required. OHA is also directed to develop and administer a grant program to provide funding to support data collection by community health organizations and community-based groups.

The Subcommittee recommended \$9.8 million General Fund, \$5.6 million Other Funds, and \$2.8 million Federal Funds and 43 positions (32.25 FTE in 2021-23). These costs largely reflect the fiscal impact of standing up this project; some divisions in OHA plan to submit Policy Option Packages to request additional funding and positions once project planning is complete, which means this funding is not necessarily fully inclusive of all costs in the 2023-25 biennium. These positions will ensure that data collection, storage, and reporting requirements are met;

work with health care providers and insurers on data collection; develop communications and training for stakeholders and staff; perform compliance monitoring; and support IT components related to this measure, among other work.

### **Central Services**

The Subcommittee recommended \$9,447,798 General Fund, \$142,081 Other Funds and \$2,794,496 Federal Funds and 28 positions (21.00 FTE) for the Central Services Division to carry out the work of the bill. Of this amount, the Office of Equity and Inclusion (OEI) has an increase of \$11,337,306 total funds in 2021-23, which supports 23 positions (17.25 FTE). The 23 positions are all permanent, full-time positions and include one Principal Executive Manager G (0.75 FTE), two Principal Executive Manager Fs (1.50 FTE), seven Operations and Policy Analyst 4s (5.25 FTE), three Operations and Policy Analyst 3s (2.25 FTE), four Program Analyst 3s (3.00 FTE), three Research Analyst 3s (2.25 FTE), one Administrative Specialist 2 (0.75 FTE), one Fiscal Analyst 2 (0.75 FTE), and one Executive Support Specialist 2 (0.75 FTE). These positions will be responsible for ensuring that data collection, storage, and reporting requirements are met, working with health care providers and insurers on data collection, working with impacted communities to ensure implementation, developing communications and training for stakeholders and staff, monitoring compliance, and providing administrative support. In addition to the 23 new positions and position-related services and supplies, OEI also anticipates costs totaling \$1,280,020 total funds related to hiring outreach, development of an equity and antiracism training for staff, community partners, and stakeholders, contracting with consultants for learning collaboratives and technical assistance with data collection, and grants to community based organizations and tribes for training and technical assistance. Additionally, there are General Fund and Federal Funds expenditures of \$5,482,686 total funds in 2021-23, for Shared Services Division direct charges for IT work that OHA will need to accomplish under the bill, which is expended as Other Funds (see the Shared Services section below).

The Central Services Division also includes allocations for the Health Systems Division and Health Policy and Analytics Division. This funding may be moved to those divisions, during an interim rebalance. The bill provides funding to support four new permanent, full-time positions in 2021-23 to do this work in the Health Systems Division, including one Operations and Policy Analyst 4 (0.75 FTE) to oversee strategic use of data and program planning, one Operations and Policy Analyst 4 (0.75 FTE) to work with CCOs to align the exchange of data, one Operations and Policy Analyst 3 (0.75 FTE) to work with the OHA Office of Equity and Inclusion to align Health Systems Division systems with data collection requirements, and support data collection and reporting, and one Operations and Policy Analyst 3 (0.75 FTE) to identify and mitigate risks for the Medicaid Management Information System due to changes to the agency's ONE system. The bill also provides funding for the Health Policy and Analytics Division for one permanent, full-time Operations and Policy Analyst 4 position (0.75 FTE) to support external health care providers and insurers in data collection required by the bill.

### **Shared Services**

The Subcommittee recommended \$5,482,686 in Other Funds expenditure limitation and 15 positions (11.25 FTE) for the Shared Services Division to carry out the work of the bill. The Shared Services Division will need to update, reconfigure, and create various data systems to include data related to race, ethnicity, preferred spoken and written languages, disability status, sexual orientation, and gender identity. To accomplish this work, Shared Services – Office of Information Services will hire 15 permanent, full-time positions to begin project planning,

including one Principal Executive Manager F (0.75 FTE), five Information Systems Specialist 8s (3.75 FTE), six Information Systems Specialist 7s (4.50 FTE), two Operations and Policy Analyst 4s (1.50 FTE), and one Project Manager 2 (0.75 FTE). Services and Supplies associated with the effort include \$1.5 million in Professional Services for a data vendor to support project planning and business case development, \$300,000 in IT Professional Services costs, and \$420,000 for software licensing. The Shared Services Division notes that there will be additional costs in the 2023-25 biennium after program planning is complete, and that the agency will plan to submit a Policy Option Package as part of the 2023-25 budget development cycle to request additional positions and funding to implement this measure.

The Legislative Fiscal Office (LFO) notes that implementation of this measure includes an information technology component that will require OHA to comply with the state's IT investment oversight policies and processes. Therefore, the information technology pricing component serves as a preliminary approximation. To build out the data systems to implement this measure OHA will have to: (1) complete business requirements analysis; (2) develop a business case; (3) hire/assign or contract with qualified and experienced project management or other professional staff resources; (4) obtain, via contract, independent quality management services, (5) develop foundational project management plans to demonstrate the feasibility of the project and its scope, as well as refined cost and schedule estimates, and (6) ensure appropriate data security and privacy measures control project implementation, pursuant to protocols developed by the Office of the State Chief Information Officer and LFO within the Joint Stage Gate Review process.

#### **Statewide Assessments and Enterprise-wide Costs**

The Subcommittee recommended \$320,397 in General Fund and \$47,891 in Federal Funds for enterprise-wide costs associated with implementing the measure.

PRELIMINARY

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

Oregon Health Authority  
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DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
<b>SCR 010-40 Central Services</b>									
Personal Services	\$ 2,819,667	\$ -	\$ 3,148,853	\$ -	\$ 1,711,400	\$ -	\$ 7,679,920	43	32.25
Services and Supplies	\$ 1,858,180	\$ -	\$ 2,475,914	\$ -	\$ 370,361	\$ -	\$ 4,704,455		
Special Payments	\$ 4,769,951	\$ -	\$ -	\$ -	\$ 712,735	\$ -	\$ 5,482,686		
<b>SCR 010-50 State Assessments and Enterprise-wide Costs</b>									
Special Payments	\$ 320,397	\$ -	\$ -	\$ -	\$ 47,891	\$ -	\$ 368,288		
TOTAL ADJUSTMENTS	\$ 9,768,195	\$ -	\$ 5,624,767	\$ -	\$ 2,842,387	\$ -	\$ 18,235,349	43	32.25
SUBCOMMITTEE RECOMMENDATION	\$ 9,768,195	\$ -	\$ 5,624,767	\$ -	\$ 2,842,387	\$ -	\$ 18,235,349	43	32.25

PRELIMINARY