

SB 5525 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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**Oregon Health Authority
2023-25**

PRELIMINARY

Budget Summary*

	2021-23 Legislatively Approved Budget ⁽¹⁾	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 3,843,917,488	\$ 5,270,393,311	\$ 5,555,064,874	\$ 1,711,147,386	44.5%
General Fund Capital Improvement	\$ 785,452	\$ 818,441	\$ 818,441	\$ 32,989	4.2%
General Fund Debt Service	\$ 60,402,266	\$ 60,184,220	\$ 60,184,220	\$ (218,046)	(0.4%)
Lottery Funds	\$ 19,670,002	\$ 22,604,437	\$ 23,294,589	\$ 3,624,587	18.4%
Lottery Funds Debt Service	\$ -	\$ 3,976,940	\$ 3,976,940	\$ 3,976,940	100.0%
Other Funds Capital Improvement	\$ 785,452	\$ 818,441	\$ 818,441	\$ 32,989	4.2%
Other Funds Limited	\$ 10,754,252,057	\$ 9,653,611,706	\$ 9,787,382,133	\$ (966,869,924)	(9.0%)
Other Funds Nonlimited	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ -	0.0%
Federal Funds Nonlimited	\$ 102,729,051	\$ 102,729,051	\$ 102,729,051	\$ -	0.0%
Federal Funds Limited	\$ 17,914,701,472	\$ 17,959,470,727	\$ 19,581,770,012	\$ 1,667,068,540	9.3%
Total	\$ 32,737,243,240	\$ 33,114,607,274	\$ 35,156,038,701	\$ 2,418,795,461	7.4%

Position Summary

Authorized Positions	5,325	5,190	5,594	269
Full-time Equivalent (FTE) positions	5,093.99	5,162.06	5,510.77	416.78

⁽¹⁾ Includes adjustments through January 2023

* 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 in OHA's budget is used as a match for the state's Medicaid programs and to provide non-Medicaid behavioral health services. Lottery Funds finance gambling addiction prevention and treatment services, as well as behavioral health services and dental care for veterans. 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. In addition to Medicaid, Federal Funds support a variety of grant programs across the Department. The budget also reflects the collection of an estimated \$4.5 billion by the Public Employees Benefit Board (PEBB) and the Oregon Educators Benefit Board (OEBB) from state agencies and educational entities to pay premiums and provide health insurance for members.

Summary of Human Services Subcommittee Action

OHA combines most health-related programs into a single agency with the goal of improving the health of all Oregonians, increasing the quality of health care services provided, and containing the growth of health care costs. 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 works to achieve its triple-aim goals of improved health, higher quality care, and lower cost through its role administering publicly funded health benefits and through contracts for services with insurers, Coordinated Care Organizations (CCOs), medical providers, local governments, Tribes, and community-based organizations. OHA's work is accomplished while keeping in mind the Agency's overarching strategic goal of eliminating health inequities in Oregon by 2030.

In total, OHA administered health benefits for approximately 1.7 million Oregonians in 2022. OHA also administers the state's public health system, which touches the lives of every Oregonian. The Public Health Division coordinates with local public health authorities to monitor and respond to public health emergencies and disease outbreaks, regulates businesses causing environmental health hazards, and supports population-level initiatives around maternal and child health, reproductive health, and food security, among other programs.

The Subcommittee recommended a budget for OHA of \$5,616,067,535 General Fund, \$27,271,529 Lottery Funds, \$9,788,200,574 Other Funds expenditure limitation, \$19,581,770,012 Federal Funds expenditure limitation, \$40,000,000 Other Funds Nonlimited, and \$102,729,051 Federal Funds Nonlimited for a total funds budget of \$35,156,038,701 and 5,594 positions (5,510.77 FTE). The budget represents an increase of 43.8 percent General Fund and a total funds increase of 7.4 percent compared to the 2021-23 Legislatively Approved Budget (LAB) as of December 2022, reflecting OHA's growing medical assistance caseload as well as investments expanding the Healthier Oregon Program, replacing one-time revenues used in 2021-23, establishing a Basic Health Program and implementing OHA's new Section 1115 Medicaid waiver. The budget funds this significant expansion of eligibility without reducing benefits, or payments to providers.

The Subcommittee incorporated the Agency's repricing ("reshoot") adjustments for caseload, federal match rates, revenues, and other changes since the current service level budget was developed. Also included are the Emergency Board actions taken in the 2021-23 biennium, which impact the Agency's 2023-25 budget. The changes recommended 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 the Oregon Health Plan (OHP), which includes Medicaid, the Children's Health Insurance Program, and Healthier Oregon Program 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, which are 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 has the administrative, operational, and information technology resources necessary to fulfill the Division's mission.

The Subcommittee recommended a total funds budget of \$27,509,305,602, including \$4,196,029,256 General Fund, \$22,501,701 Lottery Funds, \$4,589,573,998 Other Funds expenditure limitation, \$18,701,200,647 Federal Funds expenditure limitation, and 693 positions (656.55 FTE). The total funds budget is a 12.9 percent increase from the 2021-23 LAB as of December 2022. The General Fund budget increased \$1.3 billion (45.5 percent) since the 2021-23 biennium, largely the result of growth in OHA's medical assistance caseload, the full expansion of the Healthier Oregon Program, and investments in services through the Basic Health Program and Section 1115 Medicaid Waiver.

The Subcommittee recommended the following packages:

Package 081: June 2022 E-Board Rollup: Provides \$127,441,000 General Fund and \$260,750,400 Federal Funds expenditure limitation to reflect the rollup of an investment to increase in OHA's Medicaid mental health rates for fees for service providers and CCO's by an average of 30 percent during the 2021-23 biennium. The Subcommittee recommended the following budget note related to behavioral health rates:

Budget Note: Behavioral Health Rate Inflation

OHA shall pass any current service level increase to behavioral health rates directly to behavioral health providers in the form of a rate increase, including any adjustment to fee for service rates, the 30% increase implemented through a Qualified Directed Payment to Coordinated Care Organizations, and inflation adjustment to Community Mental Health Programs through county financial assistance agreements to maximize rates that support direct care providers.

Package 095: December 2022 Rebalance: Reduces \$56,493,954 General Fund, \$193,000 Lottery Funds expenditure limitation, \$240,042,269 Federal Funds expenditure limitation and adds \$4,813,540 Other Funds expenditure limitation and 10 positions (9.67 FTE) for following issues related to OHA's reshoot of its 2023-25 budget:

- An increase of \$60,575,133 General Fund to reflect an increase in the forecasted population for the Cover All People / Healthier Oregon Program,
- An increase of \$9,226,708 General Fund to reflect an increase in the Cover All Kids / Healthier Oregon program;
- A decrease of \$1,943,088 General Fund and a like increase in Federal Funds to reflect additional federal revenues that have become available to support the Cover All Kids / Healthier Oregon Program since the inception of the Cover All People program;

- A decrease of \$2,099,237 General Fund and a like increase in Federal Funds to reflect changes in federal financial practice allowing the Native American Rehabilitation Association to receive 100 percent federal match for eligible expenditures;
- A decrease of \$37,938,178 General Fund and \$120,612,455 Federal Funds to reflect expected declines in Medicaid costs during 2023-25, including lower fee for service costs due in part to reduced churn and more clients with third-party insurance, lower costs for Medicare Part B premiums for dual eligible, and reduced costs due to clients not being disenrolled or moved from pregnancy CCO rates during the Public Health Emergency;
- A decrease of \$2,498,028 Federal Funds to reflect the transfer of services funded for the Aid and Assist population from Medicaid to Non-Medicaid;
- A decrease of \$21,476,855 General Fund, an increase of \$21,476,855 Federal Funds, and an increase of \$30,011,095 Other Funds to reflect increased CCO tax revenues as a result of the forecasted increase in OHA's Medicaid caseload since current service level was completed;
- A decrease of \$62,660,169 General Fund and \$143,014,834 Federal Funds to reflect CCO rates being lower for the 2023 plan year, lowering the base on which future rates will be built in the 2023-25 biennium;
- An increase of \$881,192 Federal Funds and one position (0.67 FTE) to account for a federal grant to oversee the 988 behavioral health crisis line;
- An increase of two positions (2.00 FTE) for administration of the Mental Health Block Grant offset by a reduction in Services and Supplies spending;
- A net reduction of \$2,878,191 Other Funds and the establishment of seven positions (7.00 FTE) to reflect the reduction in the Marijuana Tax forecasted for the administration of the Drug Treatment and Recovery Services Fund as well as the need to support the administration of Ballot Measure 110;
- A reduction of \$22,277,809 Other Funds expenditure limitation to reflect a decline in the Marijuana Tax forecasted for the Drug Treatment and Recovery Services Fund on the program side;
- A reduction of \$193,000 Lottery Funds for gambling treatment to reflect the September 2022 revenue forecast; and
- A reduction of \$178,268 General Fund, \$41,555 Other Funds and \$317,324 Federal Funds to reflect the transfer of position-related Services and Supplies for positions granted in the February 2022 Session.

Package 201: Medicaid Waiver: Provides \$132,955,863 General Fund, \$2,640,614 Other Funds expenditure limitation, \$771,717,015 Federal Funds expenditure limitation and 102 positions (82.38 FTE) to support the implementation of OHA's Section 1115 Medicaid waiver, including funding to support the increased caseload due to continuous eligibility for children under 6 and 2-year continuous eligibility for those over six

years, federally supported investments in health related social needs using Designated State Health Program funding, investments in enhanced services to tribal members, and administrative and program support. The approved funding reflects the most updated information about the implementation of the 2.6 percent Affordable Care Act federal match rate buy-down included by the Centers for Medicare and Medicaid Services (CMS) as part of the 2-year continuous eligibility for those over 18 but does not include funding for OHA's waiver request around enhancing services for justice-involved populations, as that request is still pending with CMS.

Package 202: Basic Health Program: Provides \$74,615,325 General Fund, \$632,975,926 Federal Funds expenditure limitation and 31 positions (25.25 FTE) to implement the temporary expansion of Medicaid eligibility and Basic Health Program, as follows:

- \$51,643,450 General Fund and \$75,821,653 Federal Funds to provide temporary coverage to those found ineligible for Medicaid but eligible for the Basic Health Plan, which will provide Medicaid-like coverage for Oregonians between 138 percent and 200 percent of the Federal Poverty Level starting July 1, 2024,
- \$22,175,271 General Fund, \$22,837,981 Federal Funds and 23 positions (19.25 FTE) for a call center and staff needed for those found ineligible for Medicaid as a result of redeterminations but who would be eligible for the Basic Health Program, ensuring the information and assistance needed to transition to Oregon's temporary Medicaid expansion eligibility and ensure continuity of coverage,
- \$796,604 General Fund, \$796,604 Federal Funds and eight positions (6.00 FTE) to administer the benefits of the Basic Health Program, and
- \$533,519,688 Federal Funds to pay for the health benefits of those covered by the Basic Health Program from July 1, 2024, through June 30, 2025.

The Subcommittee recommended the following budget note:

Budget Note: Redetermination, Coverage Extension, and the Basic Health Plan

The Oregon Health Authority (OHA) shall submit a report with a status update on the progress made in performing redeterminations as a result of the end of the public health emergency for COVID-19, utilization of extended coverage for those between 138-200% of the federal poverty level in anticipation of a basic health plan, and the implementation progress on a basic health plan as described in House Bill 4035 (2022). OHA shall report its finding to the committees and subcommittees of the Legislative Assembly related to health and mental health and to the subcommittee of the Joint Committee on Ways and Means with authority over human services agencies' budgets at the 2024 legislative session.

Package 203: Mainframe Migration / Provider and Client Payment System: Provides \$172,249 General Fund, \$516,727 Federal Funds expenditure limitation, and two positions (1.50 FTE) to replace OHA's mainframe IT systems used to pay providers and determine eligibility for programs. This funds two staff for the Health Systems Division to ensure the new systems are integrated with the Medicaid Management Information System and other OHA systems.

Package 404: 988 Behavioral Health Crisis System: Provides \$39.6 million General Fund, \$100,000 Other Funds expenditure limitation, and \$29.3 million Federal Funds expenditure limitation, including \$22.7 million General Fund, \$100,000 Other Funds and \$4.7 million Federal Funds to support the anticipated increase in call, text, and chat volume in Oregon's 9-8-8 crisis call line and to support information technology changes and operational costs at OHA, as well as \$16.9 million General Fund and \$24.6 million Federal Funds to support anticipated Medicaid costs for rolling out mobile crisis response teams statewide.

Package 414: Early and Periodic Screening, Diagnosis and Treatment: Provides \$848,206 General Fund, \$1,364,492 Federal Funds expenditure limitation and seven positions (5.25 FTE) to fund the infrastructure OHA will need to begin providing federally mandated Medicaid services for children for which OHA previously received a waiver from providing. These services, called Early and Periodic Screening, Diagnostic, and Treatment (EPSDT), require state Medicaid programs to provide all medically necessary services, while Oregon's Medicaid waiver allowed OHA to limit services provided to those on its prioritized list of services, creating problems especially for children with disabilities or uncommon conditions.

Package 429: 988 / Behavioral Health Crisis Payer Parity: Provides \$191,854 General Fund and one position (0.75 FTE) to perform administrative work required to ensure non-Medicaid insurers reimburse providers for behavioral health crisis services, specifically 988 and mobile crisis response. This includes an Operations and Policy Analyst 3 position to coordinate with the Department of Consumer and Business Services, commercial payors, providers, and other community partners.

Package 801: LFO Analyst Adjustments: A net reduction of \$169.1 million General Fund, an increase of \$876,130 Lottery Funds expenditure limitation, \$78,215,951 Other Funds expenditure limitation, \$94,975,050 Federal Funds expenditure limitation, and four positions (4.00 FTE) to address the following issues:

Caseload and cost-per-case updates include \$15,279,033 General Fund to reflect increases in the Spring 2023 caseload forecast for OHA's mental health caseload, \$95,438,838 General Fund and \$344,300,938 Federal Funds to reflect increases in the Spring 2023 caseload forecast for OHA's medical assistance caseload, with the exception of funding for the Healthier Oregon Program, which is addressed as part of the overall update to the program costs described below, a net reduction of \$113,800,000 to the Healthier Oregon Program to reflect updated projections of the per member per month charges expected for the program, which is not intended to reduce program eligibility, benefits, or timing of full implementation of the program on July 1, 2023, and a reduction of \$144,669,404 General Fund and \$380,530,596 Federal Funds to reflect savings in the base Medicaid program from changes in utilization resulting in a higher base federal Medicaid match rate than budgeted and in lower costs than were funded in OHA's 2023-25 current service level budget.

Federal Fund revenue updates include a reduction of \$64 million General Fund and a like increase in Federal Funds to reflect the enhanced federal Medicaid match available to OHA during the first two quarters of 2023-25 based on the Consolidated Appropriations Act passed in

December 2022, a reduction of \$3,764,352 General Fund and a like increase in Federal Funds to reflect savings from the enhanced Children's Health Insurance Program (CHIP) match rate available to OHA during the first two quarters of 2023-25 based on the Consolidated Appropriations Act passed in December 2022, and an increase of \$6,800,484 General Fund, \$559,303 Other Funds and a reduction of \$7,359,787 to reflect changes in OHA's base federal Medicaid match rate through Spring 2023.

Other Funds and Lottery Funds revenue updates include an increase of \$8,500,000 General Fund and a like reduction of Other Funds to reflect a decline in tobacco tax revenues used to fund the Oregon Health Plan and behavioral health programs in the May 2023 revenue forecast, a reduction of \$17,153,605 General Fund, a like increase in Federal Funds, and an increase of \$21,573,451 Other Funds to reflect an increase in the insurance tax estimates anticipated for 2023-25 due to caseload growth, an increase of \$876,130 Lottery Funds for gambling addiction services to reflect the May 2023 revenue forecast, a reduction of \$3,556,400 General Fund and a like increase in Other Funds to reflect the carryover of non-Ballot Measure 110 Marijuana Tax revenue from 2021-23 to 2023-25, an increase of \$39,289,621 Other Funds to reflect savings to the criminal justice system as the result of Ballot Measure 110 are transferred to the Drug Treatment and Recovery Services Fund, as required by the Measure and Senate Bill 755 (2021), and a reduction of \$948,669 Other Funds to reflect reduced Marijuana Tax revenues available from the Drug Treatment and Recovery Services Fund to support administration of the Ballot Measure 110 program.

Savings and new investments include an increase of \$18,599,487 General Fund and \$84,506,513 Federal Funds to correct the inflation calculated on Package 081, the June 2022 Emergency Board's action to increase Medicaid behavioral health rates by 30 percent, a reduction of \$27,730,000 General Fund to ongoing funding available for behavioral health facilities investments, \$1,500,000 General Fund and \$2,700,000 Federal Funds to increase Medicaid dental rates by an average of 93 percent, \$2,178,237 Other Funds and \$5,562,477 Federal Funds to support a Health Services Initiative, which will leverage CHIP funds to improve children's social and emotional development through increased parental education and support, \$20,000,000 General Fund and \$30,000,000 million Federal Funds for a one-time investment in the long term care essential workforce healthcare trust established to provide health insurance to the long-term care workforce, a reduction of \$86,391,360 Federal Funds expenditure limitation for the Tribal uncompensated care program that is no longer needed while continuing the program intact, \$1,005,705 General Fund and four positions (4.00 FTE) to enhance the Intensive Services Unit established to coordinate care for clients under Aid and Assist orders in response to the federal court ruling establishing length of stay limits at the Oregon State Hospital, a reduction of \$2,853,976 General Fund, \$390,324 Other Funds, and \$2,037,526 Federal Funds to increase the vacancy rate for the Health Systems Division to eight percent, A reduction of \$10,170,000 General Fund to Services and Supplies, and an increase of 374,688 Other Funds technical adjustments to OHA's budget.

The carryover of previously approved investments includes an increase of \$19,233,538 Federal Funds to reflect the carryover of one-time America Rescue Plan Act (ARPA) funding to enhance OHA's Home and Community Based Services, an increase of \$20,000,000 million Other Funds to carryover Lottery bond expenditure limitation for behavioral health housing development projects, and an increase of \$51,188,348 General Fund and \$29,941,402 Other Funds ARPA limitation to carry over behavioral health facility investments approved in 2021-23 but unlikely to be expended until 2023-25.

The Subcommittee recommended the following budget note:

Budget Note: Behavioral Health Facility Investments

The Oregon Health Authority (OHA) shall submit a report on investments made to increase behavioral health facility capacity in Oregon during the 2021-23 and 2023-25 biennia, including the number and types of beds provided or anticipated, how investments are balanced between supporting the new capacity on an on-going basis and building additional beds, and data demonstrating how the medical and mental health system outcomes are impacted by the investments. No later than February 1, 2025, OHA shall report its findings to the subcommittee of the Joint Committee on Ways and Means with authority over human services agencies' budgets.

Package 802: Vacant Position Reductions: A reduction of \$251,027 General Fund, \$251,027 Federal Funds expenditure limitation and two long-term vacant positions, including an Operations and Policy Analyst 4 and an Operations and Policy Analyst 3 position.

Package 803: Behavioral Health Package: Provides \$37,100,000 General Fund and \$46,000,000 Other Funds expenditure limitation to address behavioral health issues, including the following investments:

- \$6,000,000 General Fund for case management of patients exiting the Oregon State Hospital who are at risk of becoming houseless;
- \$7,000,000 General Fund to increase funding for community mental health program services related to civil commitments;
- \$15,000,000 General Fund to increase substance use disorder facilities for children and adults with substance use disorders;
- \$6,000,000 General Fund and \$6,000,000 Other Funds to expand and diversify the behavioral health workforce through the Healthcare Provider Incentive Program;
- \$3,100,000 General Fund for programming to increase the child psychiatrist and developmental pediatrician workforces focused on children's behavioral health needs; and
- \$40,000,000 Other Funds from opioid settlement proceeds fund the harm reduction clearinghouse, which provides naloxone and other harm reduction supplies to organizations in the community to reduce the risk of overdose.

The Subcommittee recommended the following budget notes related to behavioral health:

Budget Note: Certified Behavioral Health Clinics

The Oregon Health Authority (OHA) shall continue to administer the certified community behavioral health clinic (CCBHC) demonstration program and submit a report specifying: 1) investments and categorized spending in the 2021-23 biennium, to include number of people served, 2) barriers to having fully utilized available funds, 3) specifics on health outcomes based on individual participant's results, 4) reduced costs resulting from the program, 5) recommendations on the whether to redirect funding from non-CCBHC programs to

increase this program funding, and 6) the impact of ending the pilot and discontinuing funding beyond the 2023-25 biennium. No later than February 1, 2025, OHA shall report its finding to the committees and subcommittees of the Legislative Assembly related to health and mental health and to the subcommittee of the Joint Committee on Ways and Means with authority over human services agencies' budgets.

Budget Note: Provider Accreditation

The Oregon Health Authority (OHA) shall review the June 2021 recommendations of the advisory group described in section 4, chapter 583, Oregon Laws 2019 and develop a recommendation to the legislature regarding a path to accreditation for organizational providers, as defined in ORS 430.637, that hold a certificate of approval, including the cost of accreditation and administrative burden impact on recognizing accreditation. No later than January 1, 2024, OHA shall report its finding to the committees and subcommittees of the Legislative Assembly related to health and mental health and to the subcommittee of the Joint Committee on Ways and Means with authority over human services agencies' budgets.

Budget Note: Measure 110

The Oregon Health Authority (OHA) shall make available through a public dashboard the revenues, actual expenditures, planned expenditures, and any balances, including reserves, in the Drug Treatment and Recovery Services Fund (DTRSF) for the current biennium. The dashboard should contain information related to the Behavioral Health Resource Networks (BHRNs) and specify other grants, contracts, or expenditure obligations made from the Fund beyond operating the BHRNs. OHA shall also include program outcomes with respect to expenditures from the Fund. No later than January 1, 2024, OHA shall report its progress on the implementation of this requirement to the subcommittee of the Joint Committee on Ways and Means with authority over human services agencies' budgets.

OHA's budget includes funding for jail diversion programs that are designed to keep individuals with behavioral health needs out of the criminal justice system by supporting community-based mental health, substance use disorder (SUD), employment services, and housing services. The Criminal Justice Commission (CJC) received funding in 2021-23 with additional investment in 2023-25 for Improving People's Access to Community-based Treatment, Supports, and Services (IMPACTS) grants to address comprehensive community support and services for individuals with mental health or substance use disorders.

Budget Note: Jail Diversion and IMPACTS Grants

OHA and CJC shall collaborate on a report that clarifies the shared characteristics and unique elements of their respective programs, an overview of the budgets and funding structure for both, and recommendations for the most efficient way for Oregon to move forward with supporting community-based efforts to keep individuals with behavioral health and SUD challenges to stay out of the criminal justice system. No later than January 1, 2024, both agencies shall report and provide recommendations to the subcommittee of the Joint Committee on Ways and Means with authority over human services agencies' budgets.

A budget note in House Bill 5024 (2021) directed the separation of a number of very large appropriations in the OHA budget that contained multiple, complex programs. After discussions with OHA, the largest appropriation for the agency, the Health Systems – Programs that contains the Oregon Health Plan and non-Medicaid behavioral health budgets is not separated due to concerns with the timeline required to make the appropriate systems changes and the desire for further discussions about cashflow in an environment where so much of this budget involves reimbursement. These major programs, totaling \$27.1 billion in the 2023-25 legislatively adopted budget contain separate and distinct programs that are funded by the legislature with very different purposes in mind. The Subcommittee recommended the following budget notes:

Budget Note: Medicaid and Non-Medicaid Behavioral Health Appropriation

The Oregon Health Authority shall take steps to separate the Health Systems – Programs appropriation into Medicaid and non-Medicaid appropriations in the building of the 2025- 27 budget prior to the Governor’s 2025-27 budget recommendation. OHA shall report to the subcommittee of the Joint Committee on Ways and Means with authority over human services agencies’ budgets on their progress at the 2024 meeting of the Legislative Assembly.

Budget Note: DSH3 Program

OHA shall present to the Joint Committee on Ways and Means during the 2024 regular session on the status of funding for the Disproportionate Share Hospital 3 program and any recommendations needed to achieve full federal funding for the 2023-35 biennium.

Health Policy and Analytics

Health Policy 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 other programs within OHA. HPA also administers the PEBB, OEBB, and Oregon Health Insurance Marketplace, who contract with insurers to cover approximately 440,000 Oregonians. HPA is supported by General Fund matched with federal Medicaid dollars with match rates varying depending on the type of work being performed. HPA also receives Federal Funds through the Health Resources and Services Administration Primary Care grant and various other grants as well as fees, funds related to loan repayment programs, and interest.

The Subcommittee recommended a total funds budget of \$254,267,122, which includes \$97,244,108 General Fund, \$27,074 Lottery Funds, \$110,282,544 Other Funds expenditure limitation, \$46,713,396 Federal Funds expenditure limitation, and 322 positions (301.49 FTE). The recommended total funds budget is 43.8 percent higher than the 2021-23 LAB as of December 2022, largely as a result of investments in the Basic Health Program and Medicaid Waiver packages. The recommended budget includes the following packages:

Package 070: Revenue Shortfall: This package reduces Other Funds expenditures limitation by \$1,153,827, four positions and 4.00 FTE associated with the healthcare mergers and acquisitions oversight program created by House Bill 2362 (2021). The program was intended to be supported with fees after being supported by General Fund during 2021-23 but fees for the program had not been established at the time OHA’s current service level budget was established.

Package 201: Medicaid Waiver: Provides \$5,550,893 General Fund, \$10,013,234 Federal Funds expenditure limitation, and 29 positions (22.30 FTE) for the administration of OHA's new Section 1115 Medicaid waiver.

Package 202: Basic Health Program: Provides \$30,053,144 General Fund and 16 positions (15.29 FTE) to continue policy development of the Basic Health Program and temporary Medicaid eligibility expansion for those between 138 and 200 percent of the Federal Poverty Level, including a contract for a call center for the Oregon Health Insurance Marketplace to ensure successful coverage transitions for those ineligible for the Basic Health Program but eligible for federal Marketplace subsidies and for community partners and outreach related to marketplace enrollment.

Package 403: REALD and SOGI Implementation: Provides \$347,916 General Fund, reduces Federal Funds expenditure limitation by \$97,635, reduces positions by one and adds 1.00 FTE to better collect patient demographic data from health care providers and insurers. This includes data on a patient's race, ethnicity, language, disability (REAL D), sexual orientation and gender identity (SOGI). House Bill 3159 (2021) directed OHA to undertake this work, which OHA will do by establishing a data repository, data registry, and interfaces with existing information systems.

Package 414: Early and Periodic Screening, Diagnosis and Treatment: Provides \$206,442 General Fund, \$206,442 Federal Funds expenditure limitation and two positions (1.50 FTE) to fund the infrastructure OHA would need to begin providing federally mandated Medicaid services for children for which OHA previously received a waiver from providing. These services, EPSDT, require state Medicaid programs to provide all medically necessary services, while Oregon's Medicaid waiver allowed OHA to limit services provided to those on its prioritized list of services, creating problems especially for children with disabilities or uncommon conditions. This package includes an Operations and Policy Analyst 4 position to evaluate the equity implications of this change in benefits as well as a Research Analyst 4 position to analyze EPSDT claims and denials to ensure they are equitable.

Package 416: Marketplace Transition from SBM-FP to SMB: Provides \$1,274,187 Other Funds expenditure limitation and one position (0.75 FTE) to begin planning for a project to replace the existing federal technology used to operate the Oregon Health Insurance Marketplace with a state-based technology tool. This includes funding for a business analyst to begin working through business processes and system requirements as well as direct charges from Shared Services for procurement, contract, and technical staff to support project planning and issuing a request for proposals. Revenues for the planning effort will come from a per member per month charge on Marketplace enrollees; the Marketplace believes its current assessment is sufficient to avoid increasing these fees to undertake this project.

Package 430: Support for Health Care Market Oversight Program: Provides \$1,240,524 Other Funds expenditure limitation and four positions (4.00 FTE) to continue operating the Health Care Market Oversight program, which oversees mergers and acquisitions in the health care arena. This work was funded with one-time General Fund in 2021-23 with the understanding that fees would be established to operate the program on

an ongoing basis. The program submitted fees for ratification as part of the legislative process which will be approved as part of Senate Bill 5526 (2023), the fee ratification bill.

Package 434: Marketplace Outreach and Operations: This package includes three positions and 2.25 FTE for workload-related positions to assist with the Oregon Health Insurance Marketplace. This includes an additional position to perform outreach and education in the community, a position to backfill staff operating the Marketplace's call center for positions who were diverted to other work, and a budget position to do budget tracking, contracts and statutory reporting required by the Marketplace. The Marketplace program has sufficient revenue to support these expenditures at its current per-member per-month administrative charges. The package swaps \$468,644 Other Funds expenditure limitation in Services and Supplies for a like amount in Personal Services to support the positions.

Package 435: PEBB / OEBC Benefits Management System Replacement: Provides \$6,631,605 Other Funds expenditure limitation and three positions (2.25 FTE) to begin implementation for a Benefit Management System replacement for both PEBB and OEBC. This includes project staff, vendor costs, quality assurance costs, licensing fees and a project contingency. Revenues to fund the project come from administrative charges on PEBB and OEBC benefits. Planning for the replacement of the systems has been ongoing since the 2019-21 biennium.

Package 437: Newborn Bloodspot Screening Program Fee Ratification: Provides \$8,252,000 Other Funds expenditure limitation and two positions (1.50 FTE) to reflect an increase in the three main operating fees for the program to address revenue shortfalls and to enhance services. To enhance services, the package would add two new disorders to the testing panel as well as enhance courier services for lab samples, procure services for continuity of operations planning, enhance outreach to community-based organizations, engage in planning for the replacement of the program's information management system, and add two permanent positions to manage these enhancements. The fees to support this expenditure limitation were approved through the interim process and are proposed to be ratified through Senate Bill 5526 (2023).

Package 438: ACA Employer Reporting: Provides \$665,000 Other Funds expenditure limitation to pay for the costs of complying with the Affordable Care Act's employer reporting requirements regarding offers of health insurance coverage. The contracted funds requested in this package are recommended on a one-time basis; PEBB and OEBC are planning a Benefit Management System replacement, which should take over the reporting currently performed by the outside vendor.

Package 440: OR Environmental Laboratory Accreditation Program: Provides \$1,039,370 Other Funds expenditure limitation to reflect a fee increase during the 2021-23 interim, for the Oregon Environmental Lab Accreditation Program (ORELAP) operated by OHA. The ORELAP program provides accreditation for environmental laboratories both in Oregon and nationally but was facing a multi-biennia deficit situation due to declining fees. In response, OHA established four new fees, increased 13 fees, and decreased or eliminated four fees, resulting in a projected net revenue increase of 133 percent in 2023-25. This request would restore limitation needed to operate the program, which was reduced in Package 070 – Revenue Shortfalls through House Bill 5024 (2021), OHA's main budget bill for the 2021-23 biennium. The fees to support this expenditure limitation were approved through the interim process and are proposed to be ratified through Senate Bill 5526 (2023).

Package 449: Oregon Psilocybin Service Regulatory Framework: Provides \$3,139,672 General Fund, \$4,115,500 Other Funds expenditure limitation and 22 positions (22.00 FTE) to continue the work of implementing Ballot Measure 109 (2020), which created a regulatory framework for the use of psilocybin in Oregon. This work was funded in 2021-23 with one-time General Fund resources but was expected to be supported by fee revenues during 2023-25. The 2021-23 package was modified to provide \$6,587,395 Other Funds expenditure limitation and 22 positions (22.00 FTE) to reflect the fees the program adopted in rule. The fees to support the Other Fund limitation were approved through the interim process and are proposed to be ratified through Senate Bill 5526 (2023).

Package 801: LFO Analyst Adjustments: A net reduction of \$3,916,732 General Fund, \$1,066,141 Other Funds expenditure limitation, \$914,210 Federal Funds expenditure limitation, and the establishment of one permanent full-time position to address the following issues:

- A reduction of \$2,740,000 General Fund to Services and Supplies spending;
- A reduction of \$1,223,882 General Fund, \$1,066,141 Other Funds and \$841,314 Federal Funds to reflect an increase in the assumed vacancy rate to eight percent; and
- An increase of \$47,150 General Fund and a reduction of \$72,896 Federal Funds to reflect a technical adjustment to Health Policy and Analytics' budget.

Package 802: Vacant Position Reductions: A reduction of \$567,545 General Fund, \$20,851 Other Funds expenditure limitation, \$367,974 Federal Funds expenditure limitation, and four positions (4.00 FTE) to reduce long-term vacant positions within the Health Policy and Analytics Division, including an Operations and Policy Analyst 4 position, a Research Analyst 4 position, a Program Analyst 3 position, and a Compliance Specialist 3 position.

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 approximately 140,000 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; the state's share of these payments is approximately 46 percent General Fund.

The Subcommittee recommended an Other Funds budget of \$2,488,161,194. The budget represents a 6.9 percent funding increase over the 2021-23 LAB. The Subcommittee recommended the following package:

Package 429: 988 / Behavioral Health Crisis Payer Parity: Provides \$1,110,916 Other Funds expenditure limitation to add PEBB as a payer for behavioral health crisis services, specifically mobile crisis response. This change would result in an 0.05 percent premium increase for PEBB's medical plans starting July 1, 2023.

Oregon Educators Benefit Board

OEBB administers medical, dental, vision, and other benefits for Oregon's school districts, community colleges, and education service districts for more than 150,000 employees, retirees and their families. 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 recommended a budget of \$1,994,469,796 Other Funds expenditure limitation. The budget represents a 5.7 percent increase compared to the 2021-23 LAB. The recommended budget includes the following package:

Package 429: 988 / Behavioral Health Crisis Payer Parity: Provides \$816,439 Other Funds expenditure limitation to add OEBB as a payer for behavioral health crisis services, specifically mobile crisis response. This change would result in an 0.05 percent premium increase for OEBB's medical plans starting July 1, 2023.

Public Health

The Public Health Division administers statewide programs that protect the public health by working to prevent the leading causes of death, disease and injury. Public Health's programs complement OHA's health care programs by focusing on prevention and helping reduce the need for more costly services. Oregon's public health system includes federal, state, county, and local agencies, private organizations, and numerous other partners. Public Health operates some programs directly, and funds and coordinates other programs through local public health authorities across the state.

The Subcommittee recommended a budget for Public Health of \$1,375,618,837 total funds, which includes \$211,592,268 General Fund, \$311,765,916 Other Funds expenditure limitation, \$40,000,000 Other Funds Nonlimited authority, \$709,531,602 Federal Funds expenditure limitation, \$102,729,051 Federal Funds Nonlimited authority, and 902 positions (886.35 FTE). The budget represents a total funds decrease of 45.9 percent (largely the result of expiring grants and Federal Emergency Management Agency (FEMA) reimbursements related to the COVID-19 public health emergency) compared to the 2021-23 LAB as of December 2022. The recommended budget includes the following packages:

Package 070: Revenue Shortfall: This package decreases Other Funds expenditure limitation by \$6,756,609 associated with the psilocybin program established by Ballot Measure 109 (2020) and the regulation of temporary staffing agencies established by Senate Bill 1549 (2022). The programs were intended to be supported with fees and dedicated taxes after the initial implementation, however sufficient fees have not yet been established to support either program.

Package 095: December 2022 Rebalance: A net reduction of \$42,831 General Fund, an increase of \$6,771,954 Other Funds expenditure limitation, \$4,995,859 Federal Funds expenditure limitation and nine positions (10.29 FTE) for the following issues related to OHA's reshoot of its 2023-25 budget:

- An increase of \$5,000,000 million Other Funds to make expenditures out of the Healthy Homes fund for home repair and retrofitting;
- An increase of \$1,732,285 Other Funds and one position (1.54 FTE) for staff and travel expenses for the Tobacco Retail Licensure Program;
- An increase of \$4,987,170 Federal Funds and the establishment of eight positions (8.00 FTE) for federal grant work, including the CDC Strengthening U.S. Public Health Infrastructure grant, the Title X Reproductive Health grant, the Immunization and Vaccines for Children grant, the Ryan White Grant, and the Oregon Emerging Infections Grant;
- A reduction of \$149,080 General Fund and \$139,425 Other Funds to transfer position-related Services and Supplies to the State Assessments and Enterprise-wide Costs (SAEC) program;
- An increase of 0.50 FTE for a position to help implement House Bill 4098 (2022);
- The abolishment of one Principal Executive/Manager D position (1.00 FTE);
- An increase of \$8,689 Federal Funds, \$49,234 Other Funds and 0.25 FTE for a position in the Health Care Regulation and Quality Improvement program; and
- An increase of \$106,249 General Fund, \$129,860 Other Funds and one position (1.00 FTE) to fund an environmental public health inspector in Curry County.

Package 406: Public Health Modernization: Provides \$30,000,000 General Fund and 20 positions (14.03 FTE) to continue working towards modernizing Oregon's public health system. This includes investments in local public health authorities, tribal public health, and community-based organizations, as well as investments within OHA to maintain staff and contracts currently supported by reimbursements from FEMA as well as one-time grants from the Centers for Disease Control and Prevention for COVID-19 response activities.

Package 417: Environmental Justice Data Mapping: Provides \$191,854 General Fund and one position (0.75 FTE) to continue support for an expired federal grant supporting a Research Analyst 4 position working on the implementation of House Bill 4077 (2022), which provided OHA staff for the Environmental Justice Council to develop a mapping tool.

Package 422: Regional Resource Hospitals for Disaster Response: Provides \$186,908 Other Funds expenditure limitation and one position (0.75 FTE) to coordinate the Regional Resource Hospital program statewide. This request was funded on a one-time basis by the September 2022 Emergency Board as part of investments made to assist acute care hospitals with staffing and capacity issues.

Package 425: Universally Offered Home Visiting: Provides \$5,924,191 General Fund, \$156,129 Federal Funds expenditure limitation and five positions (3.75 FTE) to further expand the Universally Offered Home Visiting program for families with newborn children, with a goal of providing statewide coverage for this service by 2027. The package includes five staff to serve as nurse consultants, to develop a health equity plan for the initiative, to develop a continuous quality improvement plan, to provide fiscal management of the program, and to enhance communications offerings. The package also includes funding for contracts with the model developer, for a program evaluation and for a health equity contractor. Finally, the package includes \$304,819 for Medicaid match, \$900,000 for consultants, \$150,000 for small community support, \$500,000 for health equity support, and \$200,000 for nurse workforce development.

Package 432: Domestic Well Safety Program: Provides \$3,000,000 General Fund and four positions (2.65 FTE) to address water quality issues in the Lower Umatilla Basin, an area of northern Morrow and Umatilla counties. Ground water in the area has been contaminated by nitrates since 1990, due to agricultural practices in the area, and the US Environmental Protection Agency recently ordered the state to mitigate the water quality issues in the area. This includes funding for a position to oversee its overall response, as well as to test domestic wells for contamination, provide point-of-use water treatment systems, and fund response activities by counties and community-based organizations. Funding related to this request was approved on a one-time basis by the September 2022 Emergency Board.

Package 801: LFO Analyst Adjustments: A net reduction of \$737,811 General Fund, a net increase of \$4,421,900 Other Funds expenditure limitation, a net increase of \$51,758,864 Federal Funds expenditure limitation, and the establishment of 15 positions (13.33 FTE) to address the following issues:

- A reduction of \$470,000 General Fund in Services and Supplies spending;
- A reduction of \$1,269,084 General Fund, \$2,712,782 Other Funds, and \$3,544,203 Federal Funds to reflect an increase in the assumed vacancy rate for Public Health to eight percent;
- \$1,001,273 General Fund and one position (0.67 FTE) for an investigation into the consumption of contaminated fish in the Columbia River Basin;
- \$6,600,000 Other Funds to carry over grants funded with tobacco tax proceeds from the Tobacco Use Reduction Act account;
- \$144,853 Other Funds, \$55,303,067 Federal Funds and 15 positions (13.66 FTE) related to grant funding and positions;
- \$562,500 Other Funds for fees established to operate the Health Licensing Office's Temporary Staffing Agency licensure program; and

- A reduction of \$172,671 and one position (1.00 FTE) to reflect a technical adjustment to Public Health’s budget.

Package 802: Vacant Position Reductions: A reduction of \$1,659,430 General Fund, \$19,741 Other Funds expenditure limitation, \$119,876 Federal Funds expenditure limitation, and eight positions (7.54 FTE) to reduce long-term vacant positions within the Public Health Division, including a Public Health Educator 2, an Office Specialist 2, an Operations and Policy Analyst 3, an Operations and Policy Analyst 4, a Research Analyst 4, two Public Health Manager 1s, and a Public Health Nurse 2.

Oregon State Hospital

The Oregon State Hospital (OSH) provides 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. OSH’s two primary campuses have 742 licensed beds, with 592 beds in Salem, 150 beds in Junction City, and 16 beds at a Secure Residential Treatment Facility operated by OSH in Pendleton. OSH manages its bed capacity at less than 100 percent occupancy to allow for patient admissions, transfers and discharges, meaning that in practice its capacity is 703 individuals between the three campuses.

OSH’s role is to provide services and treatment to individuals in a way to prepare them to return to the community when they are ready. Services include 24-hour on-site nursing, psychiatric and other credentialed professional staff, treatment planning, pharmacy, laboratory, food and nutritional services, and vocational and educational services. The vast majority of OSH is funded with General Fund. Other Funds revenue come from Medicare, Medicaid, third-party insurance, and the operation of a café and other enterprise-type activities. Reimbursements from insurance are limited. Many patients are uninsured at the time of their admission to OSH, and Aid and Assist patients are less likely to be insured than other groups. In addition, federal law precludes institutions of mental disease, like OSH, from billing Medicaid for most services provided, and Medicare has a lifetime limit of 180 days per patient for inpatient psychiatric treatment. Federal Funds come from Disproportionate Share Hospital payments reserved for psychiatric care hospitals.

The budget recommended by the Subcommittee is \$793,509,139 total funds, which includes \$746,980,988 General Fund, \$16,490,295 Other Funds expenditure limitation, \$30,037,856 Federal Funds expenditure limitation, and 2,759 positions (2,759.00 FTE). The recommended total funds budget is 2.9 percent higher than the 2021-23 LAB as of December 2022. The General Fund budget increased 87.4 percent over the 2021-23 LAB as the result of one-time federal ARPA funds being used to replace General Fund in OSH’s budget in 2021-23. The recommended budget includes the following packages:

Package 082: September 2022 E-Board Rollup: Provides \$4,205,463 General Fund and 20 positions (20.00 FTE) to continue support for OSH’s efforts to respond to a recent CMS review of the hospital’s operations in which there were multiple instances where OSH is not in compliance with federal standards for psychiatric hospital care, including deficiencies in patient safety, control over access to contraband, patient grievances, critical incident reporting, and quality management processes. Failure to achieve full compliance with federal standards puts the hospital’s reimbursements for Medicare and Medicaid in jeopardy. The amount recommended includes one-time costs of \$48,708 General Fund

for equipment needed to clean, store and charge the personal electronics of OSH patients as well as standard position-related Services and Supplies.

Package 083: December 2022 E-Board Rollup: Provides \$4,201,619 General Fund and the establishment of 21 permanent full-time positions for OSH to establish a dedicated treatment team for the care of a patient with complex psychiatric needs at its Junction City campus. Funds to establish a dedicated living and treatment space for the patient may be provided through the sale of Article XI-Q bonds.

Package 095: December 2022 Rebalance: This package reduces General Fund by \$2,805,558, Other Funds expenditure limitation by \$105,214, Federal Funds expenditure limitation by \$199,086 and six positions (6.00 FTE) to account for the transfers of positions and position-related costs to Central Services and SAEC budgets as a result of positions established during the 2022 Legislative Session.

Package 801: LFO Analyst Adjustments: A net increase of \$16,581,169 General Fund, a net reduction of \$23,532,570 Other Funds expenditure limitation, a net reduction of \$1,066,764 Federal Funds expenditure limitation, and an increase of 66 positions (66.18 FTE) to address the following issues:

- A reduction of \$23,740,601 General Fund, \$623,358 Other Funds and \$1,066,764 Federal Funds to reflect an increase of the assumed vacancy rate at OSH to 6.2 percent;
- An increase of \$23,474,873 General Fund and a like reduction of Other Funds to reflect a projected shortfall in insurance reimbursements at OSH in the 2023-25 biennium;
- \$15,631,305 General Fund and 55 positions (55.00 FTE) for additional treatment staff to address the increased admissions and acuity of patients at OSH due to a federal court order limiting the length of stay for patients on Aid and Assist orders;
- \$1,181,809 General Fund and six positions (6.00 FTE) for staff to implement improvements in OSH's workplace safety in response to violations found during an inspection by Oregon Occupational Safety and Health Administration; and
- \$33,783 General Fund, \$565,661 Other Funds and five positions (5.18 FTE) for a series of technical adjustments to OSH's budget.

Central Services

OHA Central Services provides the leadership and business support to achieve the Agency's mission. Central Services includes the Director's Office, which is responsible for the overall leadership, policy development, and administrative oversight for the agency; the External Relations Division, which is responsible for building strong relationships with the public, media, Legislature, and other agencies at the state and federal level; Tribal Affairs, which maintains a trusting and respectful relationship with Oregon's nine federally recognized Tribes, supporting Tribal Health programs and the Urban Indian Health Program; the Office of Equity and Inclusion, which works to eliminate health care inequities

and to promote optimal health in Oregon for all; and the Operations and Fiscal Divisions, which provides operational, human resources, and budget support across the Agency.

The Subcommittee's recommended budget for these functions is \$128,282,176 total funds, which includes \$94,128,960 General Fund, \$35,550 Lottery Funds, \$6,142,464 Other Funds expenditure limitation, \$27,975,202 Federal Funds expenditure limitation, and 270 positions (266.38 FTE). The budget represents a total funds increase of 27.3 percent and General Fund increase of 22.7 percent compared to the 2021-23 LAB as of December 2022. The recommended budget includes the following packages:

Package 095: December 2022 Rebalance: Provides \$1,344,649 General Fund, \$108,788 Other Funds expenditure limitation, \$285,767 Federal Funds expenditure limitation and six positions (6.00 FTE) related to OHA's reshoot of its 2023-25 budget, including the following:

- \$132,593 General Fund, \$3,574 Other Funds and \$99,932 Federal Funds related to Human Resources positions transferred in from the Oregon State Hospital.
- \$1,212,056 General Fund, \$105,214 Other Funds, \$185,835 Federal Funds and six positions (6.00 FTE) for positions transferred in from the Oregon State Hospital.

Package 202: Basic Health Program: Provides \$5,512,561 General Fund, \$93,069 Other Funds expenditure limitation, \$4,496,234 Federal Funds expenditure limitation, and 11 positions (8.88 FTE) to assist with policy development, project management and oversight of redeterminations, temporary Medicaid expansion, and Basic Health Program.

Package 403: REALD and SOGI Implementation: Provides \$12,351,325 General Fund, \$1,080,734 Other Funds expenditure limitation, \$2,007,082 Federal Funds expenditure limitation and eight positions (6.50 FTE) to better collect patient demographic data from health care providers and insurers. Including data on a patient's race, ethnicity, language, disability, sexual orientation, and gender identity (REAL D and SOGI). This includes three permanent full-time Operations and Policy Analyst 4 positions, one Operations and Policy Analyst 3 position, three Program Analyst 3 positions, and one Information Systems Specialist 6 position to help stand up the software needed to implement the project. House Bill 3159 (2021) directed OHA to undertake this work, which OHA will do by establishing a data repository, data registry, and interfaces with existing information systems.

Package 801: LFO Analyst Adjustments: A net reduction of \$12,526,738 General Fund, \$135,411 Other Funds expenditure limitation, and \$499,280 Federal Funds expenditure limitation to reflect the following issues:

- \$11,130,000 General Fund in Services and Supplies reductions,
- A reduction of \$1,836,738 General Fund, \$135,411 Other Funds and \$499,280 Federal Funds to reflect an increase in the assumed vacancy rate to eight percent, and

- An increase of \$440,000 General Fund to reflect the carryover from the 2021-23 biennium of a grants program for tribal traditional health workers and REAL D and SOGI programming.

Shared Services

The Shared Services program area supports certain business functions for both the Oregon Department of Human Services (ODHS) and OHA under a joint governance agreement. The Shared Services unit within OHA contains the Office of Information Services, which provides information technology systems and services for nearly 25,000 agency and partner staff at numerous locations across the state.

The Subcommittee's recommended budget for these functions is \$234,006,965 Other Funds expenditure limitation and 648 positions (641.00 FTE). The budget represents a total funds increase of 5.0 percent compared to the 2021-23 LAB as of December 2022. The approved budget includes the following packages:

Package 095: December 2022 Rebalance: Provides \$831,602 Other Funds expenditure limitation and 3 positions (3.00 FTE) to address the following issues:

- \$276,192 Other Funds and one position (1.00 FTE) to assist with an IT project for the CareAssist program within Public Health, and
- \$555,410 Other Funds and two positions (2.00 FTE) to assist with an IT project required by Senate Bill 1556 (2021).

Package 202: Basic Health Program: Provides \$681,724 Other Funds expenditure limitation and one position (1.00 FTE) for an IT position needed to support OHA's work on redeterminations, the temporary Medicaid eligibility extension, and the Basic Health Program.

Package 203: Mainframe Migration / Provider and Client Payment System: This package includes \$3,606,861 Other Funds expenditure limitation and 19 positions (13.00 FTE) to migrate away from OHA's mainframe IT systems used to pay providers and determine eligibility for programs. Other Funds revenues to support this work come from charges on OHA and ODHS in proportion to the impact of this work on each agency.

Package 416: Marketplace Transition from SBM-FP to SMB: This package includes \$785,677 Other Funds expenditure limitation and three positions (2.50 FTE) to begin planning for a project to replace the existing federal technology used to operate the Oregon Health Insurance Marketplace with a state-based technology tool. This includes funding procurement, contract and technical staff to support project planning and issuing a request for proposals. Revenues for the planning effort ultimately come from a per member per month charge on Marketplace enrollees; the Marketplace believes its current assessment is sufficient to avoid increasing these fees to undertake this project.

Package 801: LFO Analyst Adjustments: A reduction of \$8,251,485 Other Funds expenditure limitation to reflect an assumed vacancy rate of eight percent for OHA's Shared Services positions.

State Assessments and Enterprise-wide Costs

SAEC is the budget structure for payments to the Department of Administrative Services and third parties for goods and services serving all of OHA, such as rent, state data center charges, risk assessment, state government services charges, unemployment assessments, mass transit taxes, computer replacement, and debt service. Like Central Services, SAEC is funded based on cost allocation to determine the distribution of expenditures within OHA and the revenue source to support the expenditures.

The Subcommittee's recommended budget for these functions is \$314,256,710 total funds, which includes \$209,907,735 General Fund, \$730,264 Lottery Funds, \$37,307,402 Other Funds expenditure limitation, and \$66,311,309 Federal Funds expenditure limitation. The budget represents a total funds decrease of 7.5 percent compared to the 2021-23 LAB as of December 2022, largely the result of General Fund savings from the current service level build process. The recommended budget includes the following packages:

Package 095: December 2022 Rebalance: Provides \$3,051,136 General Fund, a reduction of Other Funds expenditure limitation by \$1,072,414, an increase of Lottery Funds expenditure limitation by \$7,022, and an increase of Federal Funds expenditure limitation by \$230,643 to reflect transfers in to SAEC's budget from other divisions and to address Mass Transit Tax assessment costs, which were inadvertently left out of OHA's budget due to fund shifts undertaken during the 2023-25 current service level development process.

Package 203: Mainframe Migration/Provider and Client Payment System: This package includes \$1,813,340 General Fund, \$622,229 Other Funds expenditure limitation, and \$571,810 Federal Funds expenditure limitation to replace OHA's mainframe IT systems used to pay providers and determine eligibility for programs. This package provides OHA's share of the revenues needed to provide the Other Funds revenues to support work done by Shared Services.

Package 801: LFO Analyst Adjustments: A net reduction of \$7,596,620 General Fund, a reduction of \$222,402 Other Funds expenditure limitation, and a reduction of \$464,268 Federal Funds expenditure limitation for the following issues:

- \$5,720,000 General Fund in Services and Supplies reductions;
- A reduction of \$2,273,242 General Fund, \$430,234 Other Funds, and \$724,209 for OHA's share of shared service reductions due to an assumed eight percent vacancy rate in OHA's shared service positions;
- An increase of \$358,496 General Fund, \$35,161 Other Funds and \$259,941 for OHA's portion of the costs of enhancing imaging and records management system with the ODHS to achieve compliance with standards established by the Oregon Secretary of State; and
- An increase of \$38,126 General Fund and \$172,671 to account for technical adjustments to the State Assessments and Enterprise-wide Costs budget.

Summary of Performance Measure Action

See attached Legislatively Adopted 2023-25 Key Performance Measures form.

PRELIMINARY

Oregon Health Authority
Patrick Heath - 503-983-8670

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2021-23 Legislatively Approved Budget at Jan 2023 *	\$ 3,905,105,206	\$ 19,670,002	\$ 10,763,030,259	\$ 40,000,000	\$ 17,914,701,472	\$ 102,729,051	\$ 32,745,235,990	5,325	5,093.99
2023-25 Current Service Level (CSL)*	\$ 5,331,395,972	\$ 26,581,377	\$ 9,654,430,147	\$ 40,000,000	\$ 17,959,470,727	\$ 102,729,051	\$ 33,114,607,274	5,190	5,162.06

SUBCOMMITTEE ADJUSTMENTS (from CSL)

Oregon Health Authority

SCR 030-01 - Health Systems Division

Pkg 081: June 2022 E-Board Rollup	\$ 127,441,000	\$ -	\$ -	\$ -	\$ 260,750,400	\$ -	\$ 388,191,400		
Pkg 095: December 2022 Rebalance	\$ (56,493,954)	\$ (193,000)	\$ 4,813,540	\$ -	\$ (240,042,269)	\$ -	\$ (291,915,683)	10	9.67
Pkg 201: Medicaid Waiver	\$ 132,955,863	\$ -	\$ 2,640,614	\$ -	\$ 771,717,015	\$ -	\$ 907,313,492	102	82.38
Pkg 202: Basic Health Program	\$ 74,615,325	\$ -	\$ -	\$ -	\$ 632,975,926	\$ -	\$ 707,591,251	31	25.25
Pkg 203: Mainframe Migration/Provider & Client Pmt Sys	\$ 172,249	\$ -	\$ -	\$ -	\$ 516,727	\$ -	\$ 688,976	2	1.50
Pkg 404: 9-8-8 BH Crisis System	\$ 39,600,000	\$ -	\$ 100,000	\$ -	\$ 29,300,000	\$ -	\$ 69,000,000		
Pkg 414: Early & Periodic Screening, Diagnosis & Trtmt	\$ 848,206	\$ -	\$ -	\$ -	\$ 1,364,492	\$ -	\$ 2,212,698	7	5.25
Pkg 429: 9-8-8/BH Crisis Payer Parity	\$ 191,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191,854	1	0.75
Pkg 801 - LFO Analyst Adjustments									
Mosman Federal Ruling	\$ 1,005,705	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,005,705	4	4.00
Vacancy Savings	\$ (2,853,976)	\$ -	\$ (390,324)	\$ -	\$ (2,037,526)	\$ -	\$ (5,281,826)		
S&S Savings	\$ (10,170,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,170,000)		
Recapture MH Caseload Reduction	\$ 15,279,033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,279,033		
FMAP Ramp Down PHE	\$ (64,000,000)	\$ -	\$ -	\$ -	\$ 64,000,000	\$ -	\$ -		
HOP Caseload Adjustment	\$ (113,800,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (113,800,000)		
Regional Development & Innovation	\$ (27,730,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (27,730,000)		
Dental Rate Increase	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 2,700,000	\$ -	\$ 4,200,000		
Tobacco Tax Forecast Update	\$ 8,500,000	\$ -	\$ (8,500,000)	\$ -	\$ -	\$ -	\$ -		
Insurer's Tax Update	\$ (17,153,605)	\$ -	\$ 21,573,451	\$ -	\$ 17,153,605	\$ -	\$ 21,573,451		
Lottery Forecast	\$ -	\$ 876,130	\$ -	\$ -	\$ -	\$ -	\$ 568,311		
Marijuana non-DTRSF Carryover	\$ (3,556,400)	\$ -	\$ 3,556,400	\$ -	\$ -	\$ -	\$ -		
Marijuana Tax Forecast Update	\$ 302,960	\$ -	\$ (29,418,158)	\$ -	\$ -	\$ -	\$ (29,115,198)		
Medicaid Caseload Update	\$ 95,438,838	\$ -	\$ -	\$ -	\$ 344,300,938	\$ -	\$ 439,739,776		
FMAP Base Adjustment	\$ 6,800,484	\$ -	\$ 559,303	\$ -	\$ (7,359,787)	\$ -	\$ -		
Medicaid Utilization Savings	\$ (144,669,404)	\$ -	\$ -	\$ -	\$ (380,530,596)	\$ -	\$ (525,200,000)		
CHIP FMAP PHE Adjustment	\$ (3,764,352)	\$ -	\$ -	\$ -	\$ 3,764,352	\$ -	\$ -		
OSU CHIP HIS State Plan Amendment	\$ -	\$ -	\$ 2,178,237	\$ -	\$ 5,562,477	\$ -	\$ 7,740,714		
BH Provider Rate Update	\$ 18,599,487	\$ -	\$ -	\$ -	\$ 84,506,513	\$ -	\$ 103,106,000		
Home Community Based Services (ARPA) Update	\$ -	\$ -	\$ -	\$ -	\$ 19,233,538	\$ -	\$ 19,233,538		
Lottery Bond Limitation Carryover	\$ -	\$ -	\$ 20,000,000	\$ -	\$ -	\$ -	\$ 20,000,000		
Tribal Uncompensated Care Program	\$ -	\$ -	\$ -	\$ -	\$ (86,391,360)	\$ -	\$ (86,391,360)		
Technical Adjustments	\$ (403,775)	\$ -	\$ 374,688	\$ -	\$ (403,775)	\$ -	\$ (432,862)		
LTC Essential Healthcare Workforce Trust	\$ 20,000,000	\$ -	\$ -	\$ -	\$ 30,000,000	\$ -	\$ 50,000,000		
M110 DTRSF Savings from Judicial, OSP, PDSC, DOC	\$ -	\$ -	\$ 39,227,221	\$ -	\$ -	\$ -	\$ 39,227,221		
M110 Drug Treatment Offset - CFA	\$ -	\$ -	\$ 62,400	\$ -	\$ -	\$ -	\$ 62,400		
New BH Investment Timing	\$ 51,188,348	\$ -	\$ 29,941,402	\$ -	\$ -	\$ -	\$ 81,129,750		
Marijuana Tax Forecast Update	\$ -	\$ -	\$ (948,669)	\$ -	\$ -	\$ -	\$ (948,669)		
Technical Adjustments	\$ 356,625	\$ -	\$ -	\$ -	\$ 476,671	\$ -	\$ 833,296		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
Pkg 802 - Vacant Position Reductions	\$ (251,027)	\$ -	\$ -	\$ -	\$ (251,027)	\$ -	(502,054)	(2)	(2.00)	
Pkg 803 - Behavioral Health Package	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-			
Transition Case Management for OSH Release	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	6,000,000			
Civil Commit CMHP Funding	\$ 7,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	7,000,000			
SUD Facility Expansion	\$ 15,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	15,000,000			
Health Care Provider Incentive Program Expansion	\$ 6,000,000	\$ -	\$ 6,000,000	\$ -	\$ -	\$ -	12,000,000			
Child and Family BH Workforce	\$ 3,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	3,100,000			
Opioid Harm Reduction Clearinghouse	\$ -	\$ -	\$ 40,000,000	\$ -	\$ -	\$ -	40,000,000			
SCR 030-02 - Health Policy and Analytics										
Pkg 070: Revenue Shortfall	\$ -	\$ -	\$ (1,153,827)	\$ -	\$ -	\$ -	(1,153,827)	(4)	(4.00)	
Pkg 201: Medicaid Waiver	\$ 5,550,893	\$ -	\$ -	\$ -	\$ 10,013,234	\$ -	15,564,127	29	22.30	
Pkg 202: Basic Health Program	\$ 30,053,114	\$ -	\$ -	\$ -	\$ -	\$ -	30,053,114	16	15.29	
Pkg 403: REALD & SOGI Implementation	\$ 347,916	\$ -	\$ -	\$ -	\$ (97,635)	\$ -	250,281	(1)	1.00	
Pkg 414: Early & Periodic Screening, Diagnosis & Trtmt	\$ 206,442	\$ -	\$ -	\$ -	\$ 206,442	\$ -	412,884	2	1.50	
Pkg 416: Marketplace Transition from SBM-FP to SBM	\$ -	\$ -	\$ 1,274,187	\$ -	\$ -	\$ -	1,274,187	1	0.75	
Pkg 430: Support for Health Care Market Oversight Pgm	\$ -	\$ -	\$ 1,240,524	\$ -	\$ -	\$ -	1,240,524	4	4.00	
Pkg 434: Marketplace Outreach & Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	3	2.25	
Pkg 435: PEBB OEGB Benefits Mgt Syst Replacement	\$ -	\$ -	\$ 6,631,605	\$ -	\$ -	\$ -	6,631,605	3	2.25	
Pkg 437: Newborn Bloodspot Screen Pgm Fee Ratificator	\$ -	\$ -	\$ 8,252,000	\$ -	\$ -	\$ -	8,252,000	2	1.50	
Pkg 438: ACA Employer Reporting	\$ -	\$ -	\$ 665,000	\$ -	\$ -	\$ -	665,000			
Pkg 440: OR Environmental Lab Accreditation Pgm	\$ -	\$ -	\$ 1,039,370	\$ -	\$ -	\$ -	1,039,370			
Pkg 449: OR Psilocybin Svc Regulatory Framework	\$ 3,139,672	\$ -	\$ 4,115,500	\$ -	\$ -	\$ -	7,255,172	22	22.00	
Pkg 801 - LFO Analyst Adjustments										
Vacancy Savings	\$ (1,223,882)	\$ -	\$ (1,066,141)	\$ -	\$ (841,314)	\$ -	(3,131,337)			
S&S Savings	\$ (2,740,000)	\$ -	\$ -	\$ -	\$ -	\$ -	(2,740,000)			
Technical Adjustments	\$ 47,150	\$ -	\$ -	\$ -	\$ (72,896)	\$ -	(25,746)	1	1.00	
Pkg 802 - Vacant Position Reductions	\$ (567,545)	\$ -	\$ (20,851)	\$ -	\$ (367,974)	\$ -	(956,370)	(4)	(4.00)	
SCR 030-03 - Public Employees Benefit Board										
Pkg 429: 9-8-8/BH Crisis Payer Parity	\$ -	\$ -	\$ 1,110,916	\$ -	\$ -	\$ -	1,110,916			
SCR 030-04 - Oregon Educators Benefits Board										
Pkg 429: 9-8-8/BH Crisis Payer Parity	\$ -	\$ -	\$ 816,439	\$ -	\$ -	\$ -	816,439			

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 030-05 - Public Health									
Pkg 070: Revenue Shortfall	\$ -	\$ -	\$ (6,756,609)	\$ -	\$ -	\$ -	\$ (6,756,609)	(24)	(24.00)
Pkg 095: December 2022 Rebalance	\$ (42,831)	\$ -	\$ 6,771,954	\$ -	\$ 4,995,859	\$ -	\$ 11,724,982	9	10.29
Pkg 406: Public Health Modernization	\$ 30,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000,000	20	14.03
Pkg 417: Environmental Justice Mapping	\$ 191,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191,854	1	0.75
Pkg 422: Reg'l Res Hospitals for Disaster Response	\$ -	\$ -	\$ 186,908	\$ -	\$ -	\$ -	\$ 186,908	1	0.75
Pkg 425: Universally Offered Home Visiting	\$ 5,924,191	\$ -	\$ -	\$ -	\$ 156,129	\$ -	\$ 6,080,320	5	3.75
Pkg 432: Domestic Well Safety Program	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	4	2.65
Pkg 801 - LFO Analyst Adjustments									
Vacancy Savings	\$ (1,269,084)	\$ -	\$ (2,712,782)	\$ -	\$ (3,544,203)	\$ -	\$ (7,526,069)		
S&S Savings	\$ (470,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (470,000)		
Fish Consumption	\$ 1,001,273	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,001,273	1	0.67
Tobacco Tax Grant Carryover Limitation	\$ -	\$ -	\$ 6,600,000	\$ -	\$ -	\$ -	\$ 6,600,000		
Grant Limitation and Position Requests	\$ -	\$ -	\$ 144,853	\$ -	\$ 55,303,067	\$ -	\$ 55,447,920	15	13.66
SB 1549 Temp Staffing Agencies	\$ -	\$ -	\$ 562,500	\$ -	\$ -	\$ -	\$ 562,500		
Technical Adjustments	\$ -	\$ -	\$ (172,671)	\$ -	\$ -	\$ -	\$ (172,671)	(1)	(1.00)
Pkg 802 - Vacant Position Reductions	\$ (1,659,430)	\$ -	\$ (19,741)	\$ -	\$ (119,876)	\$ -	\$ (1,799,047)	(8)	(7.54)
SCR 030-06 - Oregon State Hospital									
Pkg 082: Sept 2022 E-Board Rollup	\$ 4,205,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,205,463	20	20.00
Pkg 083: Dec 2022 E-Board Rollup	\$ 4,201,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,201,619	21	21.00
Pkg 095: December 2022 Rebalance	\$ (2,805,558)	\$ -	\$ (105,214)	\$ -	\$ (199,086)	\$ -	\$ (3,109,858)	(6)	(6.00)
Pkg 801 - LFO Analyst Adjustments									
Mosman Federal Ruling	\$ 15,631,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,631,305	55	55.00
Vacancy Savings	\$ (23,740,601)	\$ -	\$ (623,358)	\$ -	\$ (1,066,764)	\$ -	\$ (25,430,723)		
OSH OSHA Violation Response	\$ 1,181,809	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,181,809	6	6.00
Technical Adjustments	\$ 33,783	\$ -	\$ 565,661	\$ -	\$ -	\$ -	\$ 599,444	5	5.18
OSH Revenue Adjustment	\$ 23,474,873	\$ -	\$ (23,474,873)	\$ -	\$ -	\$ -	\$ -		
SCR 010-040 - Central Services									
Pkg 095: December 2022 Rebalance	\$ 1,344,649	\$ -	\$ 108,788	\$ -	\$ 285,767	\$ -	\$ 1,739,204	6	6.00
Pkg 202: Basic Health Program	\$ 5,512,561	\$ -	\$ 93,069	\$ -	\$ 4,496,234	\$ -	\$ 10,101,864	11	8.88
Pkg 403: REALD & SOGI Implementation	\$ 12,351,325	\$ -	\$ 1,080,734	\$ -	\$ 2,007,082	\$ -	\$ 15,439,141	8	6.50
Pkg 801 - LFO Analyst Adjustments									
Vacancy Savings	\$ (1,836,738)	\$ -	\$ (135,411)	\$ -	\$ (499,280)	\$ -	\$ (2,471,429)		
S&S Savings	\$ (11,130,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11,130,000)		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 010-045 - Shared Services									
Pkg 095: December 2022 Rebalance	\$ -	\$ -	\$ 831,602	\$ -	\$ -	\$ -	\$ 831,602	3	3.00
Pkg 202: Basic Health Program	\$ -	\$ -	\$ 681,724	\$ -	\$ -	\$ -	\$ 681,724	1	1.00
Pkg 203: Mainframe Migration/Provider & Client Pmt Sys	\$ -	\$ -	\$ 3,606,861	\$ -	\$ -	\$ -	\$ 3,606,861	19	13.00
Pkg 416: Marketplace Transition from SBM-FP to SBM	\$ -	\$ -	\$ 785,677	\$ -	\$ -	\$ -	\$ 785,677	3	2.50
Pkg 801 - LFO Analyst Adjustments									
Vacancy Savings	\$ -	\$ -	\$ (8,251,485)	\$ -	\$ -	\$ -	\$ (8,251,485)		
					\$ -	\$ -	\$ -		
SCR 010-050 - Statewide Assessments and Enterprise-wide Costs									
Pkg 095: December 2022 Rebalance	\$ 3,051,136	\$ 7,022	\$ (1,072,414)	\$ -	\$ 230,643	\$ -	\$ 2,216,387		
Pkg 203: Mainframe Migration/Provider & Client Pmt Sys	\$ 1,813,340	\$ -	\$ 622,229	\$ -	\$ 571,810	\$ -	\$ 3,007,379		
Pkg 801 - LFO Analyst Adjustments									
Vacancy Savings	\$ (2,273,242)	\$ -	\$ (430,234)	\$ -	\$ (724,209)	\$ -	\$ (3,427,685)		
S&S Savings	\$ (5,720,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,720,000)		
DHS Imaging and Records Mgmt Implementation	\$ 358,496	\$ -	\$ 35,161	\$ -	\$ 259,941	\$ -	\$ 653,598		
Technical Adjustments	\$ 38,126	\$ -	\$ 172,671	\$ -	\$ -	\$ -	\$ 210,797		
TOTAL ADJUSTMENTS	\$ 284,671,563	\$ 690,152	\$ 133,770,427	\$ -	\$ 1,622,299,285	\$ -	\$ 2,041,431,427	\$ 404	\$ 349
SUBCOMMITTEE RECOMMENDATION *	\$ 5,616,067,535	\$ 27,271,529	\$ 9,788,200,574	\$ 40,000,000	\$ 19,581,770,012	\$ 102,729,051	\$ 35,156,038,701	5,594	5,510.77
	0	0	0		0				
% Change from 2021-23 Leg Approved Budget	43.8%	38.6%	(9.1%)	0.0%	9.3%	0.0%	7.4%	5.1%	8.2%
% Change from 2023-25 Current Service Level	5.3%	2.6%	1.4%	0.0%	9.0%	0.0%	6.2%	7.8%	6.8%

*Excludes Capital Construction Expenditures

PRELIMINARY

Legislatively Approved 2023 - 2025 Key Performance Measures

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Agency: Oregon Health Authority

Mission Statement:

Ensuring all people and communities can 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 2024	Target 2025
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	39.30%	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	15.40%	17%	17%
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	69.10%	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	88.10%	90%	90%
9. 30 DAY ILLICIT DRUG USE AMONG 8TH GRADERS - Percentage of 8th graders who have used illicit drugs in the past 30 days.		Approved	1.70%	1%	1%
10. 30 DAY ALCOHOL USE AMONG 8TH GRADERS - Percentage of 8th graders who have used alcohol in the past 30 days.		Approved	6.10%	5%	5%
20. ACCESS TO CARE - Percentage of members who responded "always" or "usually" to getting care quickly.	a) Adults	Approved	79.40%	88%	88%
	b) Children		85.70%	88%	88%
21. MEMBER SATISFACTION OF CARE - Composite measurement: how well doctors communicate; health plan information and customer service (Medicaid population).	a) Adult	Approved	89.20%	90%	90%
	b) Children		86.40%	90%	90%
23. RATE OF TOBACCO USE (POPULATION) - Rate of tobacco use among adults.		Approved	15.80%	15%	15%
25. RATE OF OBESITY (POPULATION) - Percentage of adults who are obese among Oregonians.		Approved	31.20%	27%	27%
34. 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		87%	95%	95%
	Availability of Information		81%	95%	95%
	Expertise		88%	95%	95%

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
	Helpfulness		87%	95%	95%
	Timeliness		87%	95%	95%
35. HEALTH EQUITY MEASURE – COMPONENT #1: MEANINGFUL LANGUAGE ACCESS TO CULTURALLY RESPONSIVE HEALTH CARE SERVICES FOR CCO MEMBERS - Component 1 is based on an annual language access self-assessment survey and designed to evaluate the development of structures and workflow processes to provide quality and consistent interpreter services.		Approved		53%	63%
36. HEALTH EQUITY MEASURE - COMPONENT #2: MEANINGFUL LANGUAGE ACCESS TO CULTURALLY RESPONSIVE HEALTH CARE SERVICES FOR CCO MEMBERS - Component 2 is based on the reporting of quarterly utilization data on interpreter services and designed to measure quality of interpreter services.		Approved		7.30%	7.30%
37. INFANTE MORTALITY RATE - Numerator: # of deaths of infants <365 days of age in specified time period Denominator: # of live births in specified time period. Rate calculation: (Num/Denom)*1,000		Approved		3.86%	3.86%
38. REDUCTION OF SEVERE MATERNAL MORBIDITY - Numerator: # of cases of severe maternal morbidity* in specified time period Denominator: # of delivery hospitalizations in specified time period Rate calculation: (Num/Denom)*10,000 (read out as "[number] per 10,000 delivery hospitalizations") *Note: Severe maternal morbidity cases are determined by using a validated set of ICD-10 diagnosis and procedure codes to examine hospital data.		Approved		9.40%	9.40%
39. COMPARISON OF OHA WORKFORCE TO POTENTIAL LABOR MARKET - Comparisons of the OHA workforce to the potential labor market provide a measurement of parity, defined as: achieving comparable representation of Tribal communities, communities of color, people with disabilities and females (binary gender for now) in OHA's workforce to the same proportion in the potential labor market.		Approved		90%	90%
40. COMPARISON OF OHA NON-SUPERVISORY MANAGERS TO POTENTIAL LABOR MARKET - Comparisons of OHA non-supervisory managers to the potential labor market provide a measurement of parity, defined as: achieving comparable representation of Tribal communities, communities of color, people with disabilities and females (binary gender for now) who are OHA non-supervisory managers to the same proportion in the potential labor market.		Approved		90%	90%
41. COMPARISON OF OHA SUPERVISORY MANAGERS TO POTENTIAL LABOR MARKET - Comparisons of OHA supervisory managers to the potential labor market provide a measurement of parity, defined as: achieving comparable representation of Tribal communities, communities of color, people with disabilities and females (binary gender for now) who are OHA supervisory managers to the same proportion in the potential labor market.		Approved		90%	90%
42. COMPARISON OF OHA VOLUNTARY SEPARATIONS TO ALL AGENCY SEPARATIONS - OHA defines parity as achieving comparable representation of Tribal communities, communities of color, people with disabilities and females (binary gender for now) in OHA's workforce to the same proportion to OHA's potential labor market.		Approved		75%	75%

Legislatively Approved KPMS	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
43. COMPARISON OF OHA INVOLUNTARY SEPARATIONS TO ALL AGENCY SEPARATIONS - Parity is determined by a ratio of OHA involuntary separations—dismissal, dismissal during trial service or layoff—(numerator) and all agency separations (denominator). If the ratio score is greater than or equal to 90% for Tribal communities, communities of color, people with disabilities or females, then there is a relatively high representation of that group in involuntary separations from the agency. Excludes deaths and unknown separations.		Approved		75%	75%
44. QUALITY OF LIFE - POOR PHYSICAL HEALTH - Average number of physically unhealthy days in the past 30 among adults. Measuring health-related quality of life helps build understanding around people's lived experience with disabilities and chronic diseases across the population. Self-report of days when physical health was not good is a reliable estimate of recent health status.		Approved		3	3
45. QUALITY OF LIFE - POOR MENTAL HEALTH - Average number of mentally unhealthy days in the past 30 days (age 18+). Measuring health-related quality of life helps build understanding around people's lived experience with disabilities and chronic diseases across the population. Self-report of days when mental health was not good is a reliable estimate of recent health status.		Approved		3	3
46. PREMATURE DEATH - Number of years of potential life lost (YPLL) per 100,000 before age 75. Premature death is measured by summing the years between age at death and age 75 across all people who died before reaching that age. It's a way of quantifying the societal impact of early deaths in a population. Causes of death that are more likely to affect younger people – such as congenital anomalies and accidental injuries – contribute to higher rates of premature death.		Approved		5,300	5,300
47. MORTALITY FROM DRUG OVERDOES - Number of deaths per 100,000 from drug overdoses excluding suicide. Drug overdose deaths account for a major proportion of all premature deaths and are largely preventable.		Approved		7.70	7.70
48. TOBACCO USE - TEENS - Percent of 11th graders who use tobacco (past 30 days). Cigarette smoking is the most common cause of preventable death and disease. It is identified as a cause of various cancers, cardiovascular disease, and respiratory conditions, as well as low birthweight and other adverse health outcomes. Many teen smokers become adult smokers. Measuring the prevalence of tobacco use in the youth population can alert communities to potential adverse health outcomes and can be valuable for assessing the need for prevention programs or the effectiveness of existing programs.		Approved		21%	21%
49. OBESITY - TEENS - Percent of 11th graders who are obese (BMI >= 95th percentile for age/sex). Obesity is the second leading cause of preventable death in Oregon. It is a major risk factor for high blood pressure, high cholesterol, diabetes, heart disease, and cancer. Obese teens are at an increased risk of becoming obese adults.		Approved		12	12

Legislatively Approved KPMS	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
50. STATEWIDE SUSTAINABLE COST OF CARE - Comparison of health care cost changes to personal income changes. Any value 0 or higher is green because we want per capita income growth to equal or exceed per capita health care cost growth. By way of background, the statewide sustainable cost of care measure is a comparison between per person growth in income in Oregon and health care spending growth in Oregon. Historically, health care costs have grown faster than income and Oregon is trying to change that with the Cost Growth Target program and other initiatives. When the result from subtracting per person income growth minus per person health care cost growth is 0 or positive, it means income is growing at the same pace or faster than health care costs, which is good. When the measure is a negative number, it means health care costs are growing faster than income, which is not good.		Approved		0	0
51. OHA SUSTAINABLE COST OF CARE - Difference between real personal income and health care inflation. Any value 0 or higher is green because we want per capita income growth to equal or exceed OHA's per person spending on PEBB, OEBC, and OHP. By way of background, the OHA sustainable cost of care measure is a comparison between per person growth in income in Oregon and health care spending growth for OHA's three health programs: Oregon Health Plan, Public Employees Benefits and Oregon Educators Benefits. When the result from subtracting per person income growth in Oregon minus per person spending on PEBB, OEBC, and OHP is 0 or positive, it means income is growing at the same pace or faster than OHA's health care costs, which is good. When the measure is a negative number, it means the cost of OHA's three health care programs is growing faster than income, which is not good.		Approved		0	0
52. CRITICAL EVENTS MEETING THE 14-CALENDAR DAY TIMELINE TO PROVIDE CORRESPONDENCE TO TRIBAL LEADERS - To track compliance with the OHA Tribal Consultation Policy timelines, % of critical events meeting the timeline. Total number of critical events meeting the timeline/total number of identified critical events.		Approved		100%	100%
53. TRIBAL CONSULTATIONS MEETING THE 30-CALENDAR DAY TIMELINE FOR REPORTING OF OUTCOME OF CONSULTATION - To track compliance with the OHA Tribal Consultation Policy timelines, % of consultations reporting outcome within 30 calendar days. Total number of consultations meeting reporting timeline/total number of consultations		Approved		100%	100%
54. TIMELINESS OF TRANSLATIONS DURING EMERGING PUBLIC HEALTH EVENTS - To allow for equitable access to important public health information during public health events. Meet Federal and state legal obligations to provide information in alternative languages and formats, including Title VI of the Civil Rights Act. Compliance with agency policies, including DHS/OHA-010-013 Alternate Formats and Language Access Services. Number of hours from Incident Manager approval of an important (expedited) public information document for an identified public health event to the return of translated documents to the incident's Joint Information Center.		Approved		2	2
55. PENDING REDETERMINATION APPLICATIONS OVER 45 DAYS OLD - Total number of pending applications for redetermination that are over 45 days old.		Approved		0	0
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		Legislatively Deleted	58%	54%	

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
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		Legislatively Deleted	69.40%	65%	
8. 30 DAY ALCOHOL USE AMONG 6TH GRADERS - Percentage of 6th graders who have used alcohol in the past 30 days.		Legislatively Deleted	2.20%	3.50%	
11. 30 DAY ILLICIT DRUG USE AMONG 11TH GRADERS - Percentage of 11th graders who have used illicit drugs in the past 30 days.		Legislatively Deleted	2.80%	16.50%	
12. 30 DAY ALCOHOL USE AMONG 11TH GRADERS - Percentage of 11th graders who have used alcohol in the past 30 days.		Legislatively Deleted	17%	26%	
13. PRENATAL CARE (POPULATION) - Percentage of women who initiated prenatal care in the first 3 months of pregnancy.		Legislatively Deleted	82.10%	91%	
14. PRENATAL CARE (MEDICAID) - Percentage of women who initiated prenatal care within 42 days of enrollment.		Legislatively Deleted	80%	91%	
15. PATIENT CENTERED PRIMARY CARE HOME (PCPCH) ENROLLMENT - Number of members enrolled in patient-centered primary care homes by tier.		Legislatively Deleted	76.70%	68%	
16. PQI 01: Diabetes Short-Term Complication Admission Rate		Legislatively Deleted	173.20	138	
17. PQI 05: COPD or Asthma in Older Adults Admission Rate		Legislatively Deleted	245.90	404	
18. PQI 08: Congestive Heart Failure Admission Rate		Legislatively Deleted	425.30	230	
19. PQI 15: Asthma in Younger Adults Admission Rate		Legislatively Deleted	25.20	47.50	
22. MEMBER HEALTH STATUS - Percentage of CAHPS survey respondents with a positive self-reported rating of overall health (excellent, very good, or good).	a) Adult	Legislatively Deleted	66.20%	68.90%	
	b) Children		96.10%	68.90%	
24. RATE OF TOBACCO USE (MEDICAID) - Percentage of CCO enrollees who currently smoke cigarettes or use tobacco every day or some days.		Legislatively Deleted	26.40%	25%	
26. EFFECTIVE CONTRACEPTIVE USE (POPULATION) - Percentage of reproductive age women who are at risk of unintended pregnancy using an effective method of contraception.		Legislatively Deleted	66.50%	70%	
27. EFFECTIVE CONTRACEPTIVE USE (MEDICAID) - Percentage of reproductive age women who are at risk of unintended pregnancy using an effective method of contraception.		Legislatively Deleted	36.50%	58.20%	
28. FLU SHOTS (POPULATION) - Percentage of adults ages 50-64 who receive a flu vaccine.		Legislatively Deleted	47.30%	70%	
29. CHILD IMMUNIZATION RATES (POPULATION) - Percentage of children who are adequately immunized (immunization series 4:3:1:3:3:1:4).		Legislatively Deleted	71%	80%	
30. CHILD IMMUNIZATION RATES (MEDICAID) - Percentage of children who are adequately immunized (immunization series 4:3:1:3:3:1:4).		Legislatively Deleted	64.80%	82%	
31. 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.		Legislatively Deleted	8%	10.50%	
32. ELIGIBILITY PROCESSING TIME - Median number of days processing time from date of request to eligibility determination.		Legislatively Deleted	0	31	

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
33. OHP MEMBERS IN CCOs - Percent of Oregon Health Plan members enrolled in Coordinated Care Organizations.		Legislatively Deleted	90.30%	88%	

LFO Recommendation:

The Oregon Health Authority is deleting a significant portion of their Key Performance Measures and replacing them with new measures in an effort to more closely tie the agency measures to outcomes pertaining to health equity. OHA provided these recommendations in a report to the Legislature on their KPMs in January, 2022. The measures being deleted will continue to be measured by the agency, but will not be included in their formal list of KPMs. Feedback from the Human Services Subcommittee on Ways and Means did prompt the addition of KPM #55 that will measure the total number of pending Medicaid redetermination applications that are over 45 days old - an item that is important during the period of time the agency is redetermining the eligibility of 100% of the Oregon Health Plan members as a result of the end of the public health emergency for COVID-19.

The Legislative Fiscal Office recommends approval of the Key Performance Measures and targets as presented.

SubCommittee Action:

The Subcommittee approved the Legislative Fiscal Office recommendation.

PRELIMINARY