

5 Percent Reductions Exercise

Presented to

Joint Interim Committee on Ways & Means Subcommittee on Human Services

Sejal Hathi, MD MBA, Director Rochelle Layton, CFO

Reduction Exercise Target

- 5 percent of OHA's 2025–27 Legislatively Adopted Budget state funds is approximately \$914 million.
 - \$312 million General Fund
 - \$1 million Lottery Funds
 - \$601 million Other Funds



OHA's Approach

OHA's Vision

Vision: A Healthy Oregon

Values

- Health Equity
- Innovation
- Partnership
- Service Excellence
- Integrity
- Transparency
- Leadership

Strategic Goal

Eliminate health inequities in Oregon by 2030

Mission

Ensuring all people and communities can achieve optimum physical, mental, and social well-being through partnerships, prevention, and access to quality affordable health care.

Strategic goal pillars

Transforming behavioral health

Strengthening access to affordable care for all Fostering healthy families and environments

Achieving healthy Tribal communities

Building OHA's internal capacity and commitment to eliminate health inequities

Strategic Context

- OHA is currently conducting an agency-wide strategic prioritization process.
- This process will:
 - Guide and inform current and future budget decisions
 - Identify which investments are most central to OHA's core obligations and strategic goals
 - Guide how OHA may repurpose resources toward new federal unfunded mandates where relevant
 - Determine which can be deferred or scaled back with the least harm
- This work is expected to be complete at the end of 2025. Its early thinking has shaped OHA's approach to this reduction exercise.

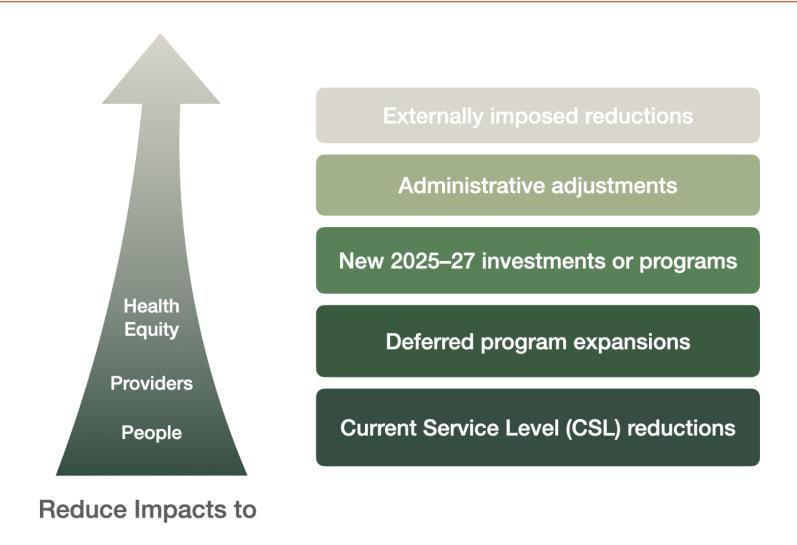
Structured Framework

- OHA applied a structured framework to identify potential reductions in response to the legislative request.
 - Alignment with core statutory responsibilities
 - Consequences for health equity
 - Preserving progress towards priority initiatives
 - Protection of the Oregon State Hospital and Mink-Bowman compliance
 - Relative recency of investment
 - Ability to defer or slow expansion
 - Feasibility of administrative savings

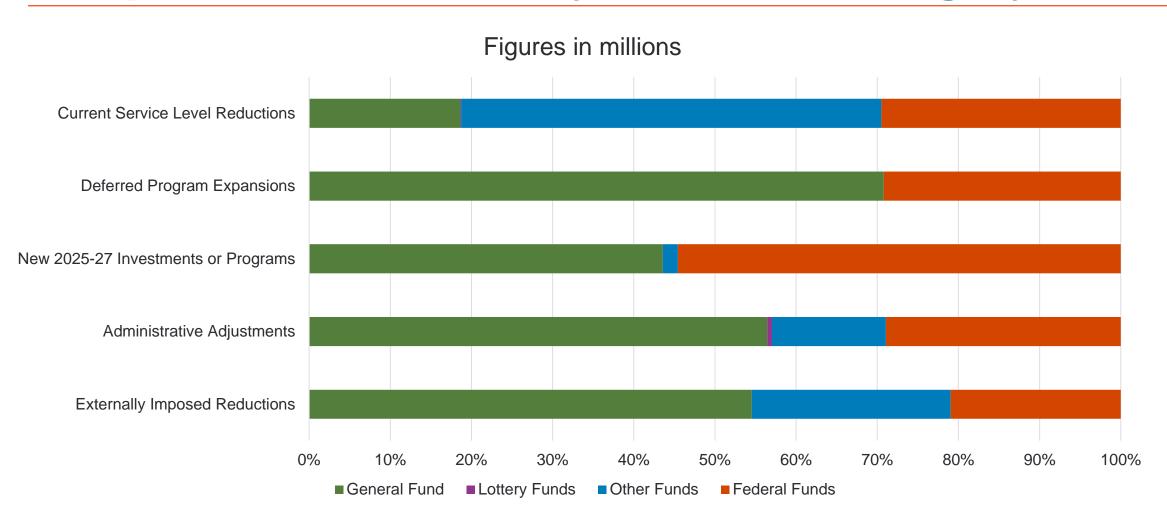
Rationale Categories

- OHA developed five rationale categories to inform the reductions exercise.
 - 1. Externally imposed reductions
 - 2. Administrative adjustments
 - 3. New 2025-27 investments or programs
 - 4. Deferred program expansions
 - 5. Current Service Level (CSL) reductions

Rationale Framework



Proposed Reductions by Rationale Category



Proposed Reduction Totals by Rationale Category

(dollars in millions)

					Total		
	GF	LF	OF	FF	Funds	Pos.	FTE
Externally imposed reductions	(13.8)	-	(6.2)	(5.3)	(25.4)	-	-
Administrative adjustments	(20.1)	(0.2)	(5.0)	(10.3)	(35.6)	-	-
New 2025-27 investments or programs	(58.3)	-	(2.5)	(73.0)	(133.8)	(5)	(4)
Deferred program expansions	(8.0)	-	-	(3.3)	(11.4)	(21)	(13)
Current Service Level (CSL) reductions	(211.4)	(1.0)	(587.2)	(334.4)	(1,134.1)	(150)	(75)
Total	(311.7)	(1.3)	(600.9)	(426.4)	(1,340.3)	(176.0)	(91.9)

You can get this document in other languages, large print, braille or a format you prefer free of charge. Contact Phil Schmidt at philip.schmidt@oha.oregon.gov or 503-383-6079. We accept all relay calls.

