

# ANALYSIS

## Item 2: Oregon Health Authority 2023-25 OEGB Expenditure Limitation

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**Analyst:** Matt Stayner

**Request:** Increase Other Funds expenditure limitation for the Oregon Health Authority, Oregon Educators Benefit Board, by \$10,000,000 from the revolving fund to accommodate the recording of unanticipated expenditures for health care benefits through the end of the 2023-25 biennium.

**Analysis:** To facilitate the close out of the 2023-25 biennium, the Oregon Health Authority (OHA) requires an increase of \$10 million in the Other Funds expenditure limitation established for the payment of health care benefits for Oregon Educators Benefit Board members enrolled in self-insured plans.

The program has experienced challenges in budgeted expenditure limitation due to the compounding impacts of increased plan enrollment and increased utilization. Enrolled members increased at an annualized rate of just over 2.4% from the first quarter to the eighth quarter of the prior biennium, while the average quarterly expenditures per member increased at an annualized rate of 10.7% over the same period. An increase in program expenditure limitation of \$65.8 million, a 3.3% increase from the current service level budget, was provided in SB 5550 (2025) as part of the agency's fall 2024 rebalance.

Updated final totals provided by the agency indicate \$2.067 billion of program expenditures against a current expenditure limitation of \$2.060 billion, a shortfall of just under \$7 million. This residual shortfall in expenditure limitation is roughly one-third of one percent of the program's approved budget.

**Recommendation:** The Legislative Fiscal Office recommends that the Emergency Board increase Other Funds expenditure limitation for the Oregon Health Authority, Oregon Educators Benefit Board, by \$7,000,000 from the revolving fund to accommodate the recording of the unanticipated remaining expenditures for health care benefits through the end of the 2023-25 biennium.

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Oregon Health Authority  
Trombley

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**Request:** Increase Other Funds expenditure limitation by \$10,000,000 for the Oregon Educators Benefit Board (OEBB) to make final payments for health care benefits for the 2023-25 biennium.

**Recommendation:** Approve the request.

**Discussion:** The Oregon Health Authority (OHA) is requesting \$10.0 million Other Funds expenditure limitation for OEBB to pay claims for the 2023-25 biennium. OEBB provides health insurance and other employment benefits for over 150,000 individuals and includes 93 percent of K-12 school districts, 46 percent of charter schools and education service districts, 100 percent of community colleges, and seven of Oregon state's local governments.

OEBB has seen an increase in the number of plan holders (from 56,306 in July 2023 to 58,574 in November 2024) and an increase in claims filed. These factors have contributed to the program exceeding its existing limitation for the 2023-25 biennium. OEBB pays approximately \$14,000,000 in claims each week.

OEBB also observes that one factor for the increase in enrollment and benefit utilization in the 2023-25 biennium is due to plan holders resolving deferred health care issues following the pandemic. As a result, both OHA and the Department of Administrative Services Chief Financial Office will continue to monitor enrollment and benefit utilization during the 2025-27 biennium to assess whether enrollment and benefit utilization will continue to increase.

**Legal Reference:** Increase the Other Funds expenditure limitation established by Chapter 591, section 8, Oregon Laws 2023, for Oregon Health Authority for Oregon Educators Benefit Board by \$10,000,000 for the 2023-25 biennium.

Tina Kotek, Governor

October 24, 2025

The Honorable Senator Rob Wagner, Co-Chair  
The Honorable Representative Julie Fahey, Co-Chair  
Emergency Board  
900 Court Street NE, H-178  
Salem, OR 97301

Dear Co-Chairs:

### **Nature of Request**

The Oregon Health Authority (OHA) requests a \$10,000,000 increase in Other Funds limitation in the Oregon Educators Benefit Board (OEBB) revolving fund. This increase is needed to make final payments for health care benefits for the 2023-25 biennium.

### **Agency Action**

OEBB expenditures vary based on changes in member enrollment in benefit plans and health care utilization, both of which can fluctuate significantly from month to month and year to year. The current limitation shortfall is primarily due to increased enrollments and higher utilization, driven by improved provider access and the continued resolution of deferred care following the pandemic.

While OEBB has been able to stay within the 3.4 percent annual premium increase per employee per month as required by statute, the overall aggregate costs have exceeded the Legislatively Adopted Budget due to growth in the workforce and increased claims activity. Utilization has been notably higher in both the 2023-24 and 2024-25 plan years.

As final claims for the 2023-25 biennium were processed, it became clear that an additional \$10,000,000 in Other Funds limitation is necessary to finish the biennium. OEBB pays approximately \$14,000,000 in claims each week, so this shortfall represents roughly 4 to 5 days of claims payments over the biennium.

Senator Rob Wagner  
Representative Julie Fahey  
October 24, 2025

**Action Requested**

The OHA Oregon Educators Benefit Board requests a \$10,000,000 increase in Other Funds limitation to fully support health care benefit payments for the 2023-25 biennium.

**Legislation Affected**

Oregon Laws 2023, Chapter 591, section 8

Sincerely,



Sejal Hathi, MD MBA  
Director

EC: Matt Stayner, Legislative Fiscal Office  
Stacey Chase, Department of Administrative Services  
Jason Trombley, Department of Administrative Services  
Kate Nass, Department of Administrative Services  
Amanda Beitel, Legislative Fiscal Office