

SUBCOMMITTEE RECOMMENDATION

Item 9: Department of Human Services/Oregon Health Authority HR 1 Implementation Costs

To: Ways and Means Full Committee
From: Human Services Subcommittee
Carrier: Senator Campos

The Human Services Subcommittee heard a joint request from the Department of Human Services and Oregon Health Authority to support estimated budgetary impacts related to implementation of federal House Resolution 1, which significantly changed the Supplemental Nutrition Assistance Program and Medicaid by instituting work requirements for certain beneficiaries, more frequent eligibility checks, and increased cost sharing for states.

The joint request would increase General Fund by \$339.2 million, decrease Other Funds by \$144 million and Federal Funds by \$163.8 million, and add 475 new positions (339.26 FTE). Major components of the request include the following:

- \$54.4 million General Fund to cover a higher state share of SNAP administrative costs;
- \$39.3 million General Fund for technology upgrades and staff to improve the accuracy of SNAP benefit payments;
- \$105.9 million General Fund to backfill for lower revenue under the intergovernmental transfer agreement with Oregon Health and Science University;

- \$82.8 million General Fund related to fall 2025 forecast caseload changes for the Oregon Health Plan, which includes the cost to reverse a planned move of individuals from the Healthier Oregon program to the Oregon Health Plan Bridge basic health program; and
- \$23.9 million General Fund for administrative costs, including additional staffing and expanded call center contracts at Oregon Health Authority related to Medicaid work requirements, redeterminations, and retroactive coverage changes.

Of the 475 positions identified in the request, 452 positions would be in the Department of Human Services, mostly engaged in work related to SNAP and Medicaid eligibility and benefit determinations.

As noted in the agency presentations to the subcommittee and in the Legislative Fiscal Office analysis, the request represents the agencies' best estimate of current-biennium implementation costs as of the request submittal date. However, specific implementation needs are still in development and will continue to evolve as additional federal guidance is released and the calculations and underlying assumptions are refined further.

The Human Services Subcommittee recommends that the Joint Interim Committee on Ways and Means defer action on the request to the 2026 legislative session.