

# SUBCOMMITTEE RECOMMENDATION

## HB 5025

### Oregon Health Authority

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

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HB 5025 is the budget bill for the Oregon Health Authority.

The \$6.2 billion General Fund, \$41.7 billion Total Funds budget is a 12.1% increase from the current service level.

Revenue adjustments from the current service level include:

- \$2.26 billion from provider assessments on insurers and hospitals due to the passage of HB 2010. Of this total, \$1.53 billion will be used to support the Oregon Health Plan, supplanting General Fund.
- Increased intergovernmental transfers from Oregon Health and Sciences University of \$416 million, a portion of which is used to support the Oregon Health Plan, supplanting \$132.4 million General Fund.
- Forecasted tobacco tax revenue reductions of \$30.7 million.
- Anticipated biennial 9-8-8 assessment revenues, reducing General Fund by \$25 million.
- Reductions in forecasted reductions in marijuana and beer, wine, and cider taxes.

Net caseload cost decreases for the Healthier Oregon Program by \$447.4 million General Fund that is inclusive of

- \$39.1 million for increased enrollment.
- \$283.8 million decrease due to rebasing plan costs.
- \$122.6 million reduction due to revised FMAP applicability, and
- \$80 million in anticipated risk corridor payments.

Medicaid caseload costs increase from the current service level by \$32.6 million General Fund primarily due to a projected decline in Oregon's Federal Medicaid Assistance Percentage.

Programmatic savings include:

- A shift of a portion of the Healthier Oregon caseload, that might otherwise lose coverage due to income caps, to OHP Bridge, the basic health plan resulting in \$42.9 million General Fund anticipated savings.
- Unspecified reductions in Services and Supplies expenditures totaling \$31.8 million General Fund that are extended into the 2025-27 biennium from the current biennium.
- Shift of planned expenditures for Designated State Health Program funded support of 1115 waiver activities from the 25-27 biennium to the 27-29 biennium resulting in a savings of \$25.3 million General Fund.
- One-time reduction of Quality Incentive Pool payments to coordinated care organizations for the 2025 plan year resulting in a savings of \$18.6 million General Fund.

- One-time \$16 million General Fund reduction of inflation adjustments in the Medicaid Fee for Service program.
- Elimination of \$15 million General Fund erroneously included in the current service level from a 2023 investment for behavioral health facilities that was intended to be one-time.

A package of funding totaling \$56 million General Fund is included for the State Hospital to continue addressing Centers for Medicare and Medicaid Services corrective action plans, patient safety, workload, and staffing issues, and to address compliance with timelines to provide court-ordered restoration services.

Additional significant General Fund budget enhancements include:

- \$49.3 million to support the Disproportionate Share Hospital Program
- Reestablishment of \$42.6 million for substance use disorder facilities and Regional Development and Innovation Funding.
- \$30 million to provide a mid-year 2025 Coordinated Care Organization rate adjustment.
- \$25 million to support enhanced hospital maternity rates
- \$10 million for a grant to support the Oregon Harm Reduction Clearinghouse.
- \$12.5 million to address continued access to women's reproductive health care.
- Increased support to Local Mental Health Programs including:
  - \$10 million increase for Aid and Assist services,
  - \$13.2 million for Deflection and Diversion programs,

- \$7 million for Community Behavioral Health and SUD Treatment,
- \$7 million for School and Community Based SUD prevention,
- \$5.2 million for permanent supportive housing, and
- \$2.4 million for Behavioral Health Community Navigators and associated services.

The Human Services Subcommittee recommends HB 5025 be amended by the –2 amendment and be reported out do pass, as amended.