HB 5026 A BUDGET REPORT and MEASURE SUMMARY **Carrier:** Sen. Steiner Hayward

Joint Committee On Ways and Means

Action Date:	06/13/17
Action:	Do pass the A-Eng bill.
Senate Vote	
Yeas:	12 - DeBoer, Devlin, Frederick, Girod, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward, Thomsen, Winters
House Vote	
Yeas:	6 - Gomberg, Holvey, Nathanson, Rayfield, Smith Warner, Williamson
Nays:	4 - Huffman, Smith G, Stark, Whisnant
Exc:	1 - McLane
Prepared By:	Tom MacDonald, Department of Administrative Services
Reviewed By:	Linda Ames, Legislative Fiscal Office

Oregon Health Authority
2017-19

Budget Summary*

	2015-17 Legislatively Approved Budget[1]	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				$ Change	% Change
General Fund	$ 2,093,403,601	$ 3,122,223,755	$ 2,130,137,395	$ 36,733,794	1.7%
General Fund Capital Improvements	$ 699,615	$ 725,501	$ 725,501	$ 25,886	3.7%
General Fund Debt Service	$ 64,266,611	$ 67,710,170	$ 67,710,170	$ 3,443,559	5.4%
Lottery Funds	$ 11,348,753	$ 12,456,604	$ 12,461,733	$ 1,112,980	9.8%
Other Funds Limited	$ 6,133,134,389	$ 5,732,605,641	$ 6,581,588,196	$ 448,453,807	7.3%
Other Funds Capital Improvements	$ 699,615	$ 725,501	$ 725,501	$ 25,886	3.7%
Other Funds Debt Service	$ 4,197,413	$ -	$ -	$ (4,197,413)	(100.0%)
Other Funds Nonlimited	$ 143,943,220	$ 40,000,000	$ 40,000,000	$ (103,943,220)	(72.2%)
Other Funds Debt Service Nonlimited	$ 129,057,682	$ -	$ -	$ (129,057,682)	(100.0%)
Federal Funds Limited	$ 11,448,264,704	$ 11,613,394,315	$ 10,922,831,459	$ (525,433,245)	(4.6%)
Federal Funds Nonlimited	$ 102,729,051	$ 102,729,051	$ 102,729,051	$ -	0.0%
Federal Funds Debt Service Nonlimited	$ 4,123,972	$ 3,719,310	$ 3,719,310	$ (404,662)	(9.8%)
Total	$ 20,135,868,626	$ 20,696,289,848	$ 19,862,628,316	$ (273,240,310)	(1.4%)

Position Summary

Authorized Positions	4,454	4,780	4,571	117
Full-time Equivalent (FTE) positions	4,394.82	4,741.84	4,531.60	136.78

[1] Includes adjustments through June 2017

* 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 is used as match to receive Federal Funds, particularly for the state's Medicaid program. Lottery Funds finance gambling addiction prevention and treatment services. In addition to Medicaid, Federal Funds support a variety of grant programs across the agency. 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.

Significant revenue changes in the 2017-19 budget impact the way in which Other Funds support Oregon Health Plan (OHP) costs in the Health Systems Division. Specifically, House Bill 2391 (2017) revises the structure of the hospital assessment program by increasing the assessment rate paid by diagnostic related group (DRG) hospitals; establishing an assessment for Type A and Type B rural hospitals, which are not currently part of the assessment program; exempting the Oregon Health and Science University (OHSU) from the assessment program; and creating a new insurer premium tax. As an alternative to the hospital assessment, OHSU and OHA will establish a separate intergovernmental transfer funding program collapsing several Medicaid payments into the new program. In 2017-19, these changes are expected to generate $599.4 million in additional Other Funds revenue to support the Oregon Health Plan, which in turn generates $1.8 billion in federal funding.

The budget includes a total of $378.5 million in tobacco tax revenue plus some resources carried over from the 2015-17 biennium, which is used to support OHP, community mental health programs and tobacco prevention and education programs, as well as a total of $109.0 million of Tobacco Master Settlement Agreement (TMSA) resources. The 2017-19 budget uses $50.2 million in forecasted recreational marijuana tax revenue to save a like amount of General Fund in alcohol and drug prevention programs. The 2017-19 biennium is the first OHA budget to include recreational marijuana tax revenue and the amount used represents estimated available revenue from both the 2015-17 and 2017-19 biennia. The federal Designated State Health Programs (DSHP) expired in the 2015-17 biennium and no further resources are included in 2017-19. These resources were available as a result of the state's federal Medicaid waiver approved in 2012 and invested $1.9 billion over five years in health care transformation, but were not reauthorized as part of Oregon's new waiver period starting January 12, 2017.

Several new fees and fee increases are included in this budget. In Public Health, fee increases are included for the Oregon Environmental Laboratory Accreditation, Newborn Screening, Health Facilities Plan Review and Hospice and In-Home Care Licensing programs, with new fees established for the Toxic-Free Kids Act and Immunization Alert programs. In the Office of Health Policy and Analytics, Health Information Technology fees related to the Oregon Common Credentialing program are established. The relevant program budgets are dependent on the passage of Senate Bill 53, which raises fees in the Hospice and In-Home Care Licensing programs, as well as House Bill 5027, which ratifies fee changes adopted by the agency during the interim.

The budget for the Oregon State Hospital (OSH) recognizes additional Other Funds revenue of $40.5 million related to the certification by the federal Centers for Medicare and Medicaid Services (CMS) of additional hospital-licensed beds. The certification enables OSH to bill insurance plans for patients covered under Medicare, Medicaid, and third-party (commercial) insurance. The additional Other Funds revenue helps save $30.1 million General Fund, with the difference being reinvested in OSH to help maintain the standards necessary to achieve the federal certification.

Finally, the budget reflects the collection of an estimated $3.6 billion by the Public Employees Benefit Board and the Oregon Educators Benefit Board from state agencies and educational entities to pay premiums and administrative costs, in order to provide health insurance for members.

Summary of Human Services Subcommittee Action

OHA was created in the 2009 Legislative Session to bring most health-related programs into a single agency to maximize its purchasing power and to contain rising health care costs statewide. OHA is overseen by the Oregon Health Policy Board. OHA's mission is to help people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to quality, affordable health care. OHA has adopted the triple aim of improving health, increasing quality and lowering costs of care to achieve its mission. Programs provide medical coverage to low-income individuals and families and to public employees; offer treatment services to persons with mental illness, alcohol or drug addictions; provide support for Oregonians with disabilities; and regulate the state's public health system.

The Human Services Subcommittee heard agency and public testimony on the agency's budget over the course of several months. The Subcommittee approved a budget for the Oregon Health Authority of $2,198,573,066 General Fund, $12,461,733 Lottery Funds, $6,582,313,697 Other Funds expenditure limitation, $10,922,831,459 Federal Funds expenditure limitation, $40,000,000 Other Funds Nonlimited and $106,448,361 Federal Funds Nonlimited, for a total funds budget of $19,862,628,316 and 4,571 positions (4,531.60 FTE). The budget represents an increase of 1.9 percent General Fund and a total funds decrease of 1.4 percent, compared to the 2015-17 Legislatively Approved Budget. The small General Fund increase is made possible by the increases in Other Funds revenues available to fund OHP, as well as decreased caseload forecasts. The decrease in total funds is largely driven by forecasted changes in the Medicaid caseload and in particular by the stabilization of the Affordable Care Act (ACA) expansion caseload in 2017-19 at a somewhat lower level than in 2015-17.

Health care costs in the Public Employees Benefits Board and Oregon Educators Benefits Board continue to be capped at an increase of 3.4 percent per person per year during the 2017-19 biennium. Cost increases are limited to an even lower rate of growth in OHP. The budget maintains the existing level of health care benefits in OHP. Inflationary increases for both coordinated care organizations (CCOs) and fee-for-service are reduced. The recommended budget makes investments in community mental health and in public health, and maintains both the Salem and Junction City campuses of the Oregon State Hospital at current capacity. The budget also includes administrative reductions, uses various Other Funds revenues to replace General Fund and incorporates savings that result from program changes.

The Subcommittee incorporated the agency's repricing ("reshoot") adjustments for caseload, federal match rates and other changes since the current service level budget was developed. Also included are Emergency Board actions taken in 2015-17 that have an impact on the agency's 2017-19 budget. The changes made by the Subcommittee are described for each program area in more detail below.

Health Systems Division

The Health Systems Division (HSD) ensures the systematic transformation of health care in Oregon by delivering integrated physical, behavioral, and oral health care services, strengthening the coordinated care model and improving health outcomes throughout the state. 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 OHP, which includes both Medicaid and the Children's Health Insurance Program (CHIP). Non-Medicaid 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 that are not allowed 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 Subcommittee approved a total funds budget of $14,494,115,001, including $1,438,453,274 General Fund, $12,230,163 Lottery Funds, $2,570,401,306 Other Funds expenditure limitation, $10,473,030,258 Federal Funds expenditure limitation and 765 positions (756.10 FTE). The total funds budget is 1.8 percent lower than the 2015-17 Legislatively Approved Budget. This is primarily the result of the ACA caseload stabilizing in 2017-19 at a somewhat lower level than in 2015-17. The General Fund budget has increased by $9.7 million since 2015-17, or 0.7 percent. The small General Fund increase is made possible by the increases in Other Funds revenues available to fund OHP, as well as decreased caseload forecasts.

The Subcommittee approved several packages related to HSD's revenue, program investments, savings and other budget adjustments. First, Package 070 reduces Other Funds limitation by $2.2 million to show the effect of estimated changes in the availability of Tobacco Master Settlement Agreement funding. Package 095 funds actions by the December 2016 Emergency Board. This package includes General Fund savings of $3.7 million related to a higher match rate available for some of the population in the Citizen Alien Waived Emergent Medical caseload and an increase in General Fund of $0.9 million to support costs for actuarial services. Overall, this package decreases HSD General Fund by $2.1 million, decreases Other Funds limitation by $2.7 million and increases Federal Funds limitation by $7.2 million.

Package 402, Enhanced Office of Program Integrity. This package includes an increase of nearly $3.0 million General Fund, $10.1 million total funds and nine permanent positions (8.00 FTE) to improve the Office of Program Integrity's ability to detect, prevent and investigate fraud, waste and abuse in Medicaid and non-Medicaid programs. Savings of $15 million General Fund related to this investment are included below.

Package 404, Juvenile Fitness to Proceed. This package reflects savings resulting from a policy change to prohibit the removal of youth from placement for the purpose of conducting an evaluation to determine his or her fitness to proceed in a juvenile delinquency proceeding unless the youth has been placed in a detention or youth correctional facility. The package decreases General Fund by $0.4 million and is dependent on the passage of Senate Bill 49.

The Subcommittee approved two packages investing in HSD's Medicaid processing and enrollment systems. First, Package 405, MMIS Modularization. This package helps secure 90 percent federal financial participation to support the strategic planning process for the modularization of the Medicaid Management Information System (MMIS) as required by CMS. The package increases General Fund by $0.3 million and Federal Funds limitation by $3.0 million. The Shared Services budget also includes a Federal Funds limitation increase of $2.0 million and an increase of nine positions (9.00 FTE) as part of this package. Second, Package 406, ONE System Enhancements. This package funds enhancements to the Oregon Eligibility (ONE) system. Enhancements to ONE's functionality are necessary as the system continues to improve its eligibility services for Medicaid participants and to support anticipated changes for CMS requirements. This package increases General Fund by $1.3 million and Federal Funds limitation by $11.5 million.

The recommended budget includes an increase in Other Funds revenues to support the Oregon Health Plan resulting from a combination of changes, as proposed in separate legislation. The structure of the hospital assessment program is modified. First, the rate on net patient revenue paid by DRG hospitals with 50 beds or more, is increased from the current rate of 5.3 percent to 6.0 percent. Second, an assessment program for rural Type A and Type B hospitals, which currently do not pay an assessment, is implemented. Under this program, qualifying rural hospitals will pay an assessment of four percent of net patient revenue. Third, OHSU is removed from the current hospital assessment model beginning January 1, 2018. As an alternative to the hospital assessment, OHSU and OHA will establish a separate intergovernmental transfer (IGT) funding program. Fourth, a new CCO/insurer tax is implemented at a rate of 1.5 percent of premiums. Besides being used to help fund OHP, some of these resources will be used to establish a new reinsurance program through the Department of Consumer and Business Services. In total, these changes result in an estimated $599.4 million in additional Other Funds revenues to be available to support OHP in 2017-19, saving a like amount of General Fund. The assessment program changes are dependent on the passage of House Bill 2391 and certain components require CMS approval. Two additional staff are approved for OHA to administer these new programs. While revenue related to all these programs have been estimated with the best information available, there is a risk these revenues will not all materialize as expected. This is a very short timeframe in which to implement several new programs, some of which are dependent on federal approval within that timeline.

Related to the OHSU component of this revenue package, OHA will establish a Quality and Access program for Medicaid services starting January 1, 2018, to ensure CCOs provide qualified directed payments based on encounters for services provided to their members in order to ensure continued access to high quality medical services for all OHP members. Such quality and access payments must apply equally to all qualified hospitals and be consistent with actuarial soundness requirements. Hospitals that qualify for this program are based in Oregon and meet quality and access criteria including but not limited to: 1) the hospital provides a major medical teaching program defined as a hospital with more than 400 residents or interns, and 2) the hospital operates a solid organ procurement organization. The rural hospitals will participate in a different Quality and Access program focused on ensuring access to care across all parts of the state.

The specific revenue changes and General Fund budget reductions included in the 2017-19 OHA budget are as follows: the additional 0.7 percent DRG hospital assessment rate is expected to generate $126 million Other Funds limitation; elimination of the Hospital Transformation Performance Pool redirects $68 million to OHP rather than hospitals; elimination of the CCO administrative reimbursement related to the hospital assessment saves $3.0 million; elimination of the contract between Oregon Healthcare Enterprises, Inc. and OHA saves $400,000; adding the rural hospitals at a four percent assessment rate generates approximately $90 million; the new OHSU program is expected to generate about $105 million; the new insurer premium assessment generates about $195 million, with an additional $12 million from the Public Employees' Benefit Board share of the assessment.

The new 0.7 percent rate that will be paid by DRG hospitals that will not be reimbursed will be effective 91 days after sine die. However, the hospital assessment rate will go up to six percent on July 1, 2017, as a fully reimbursed rate. The Subcommittee emphasized that the rural hospitals are intended to be held harmless overall, as a group.

As part of this package, $10 million state funds ($40 million total funds) in additional resources are available to OHSU. This is intended to fund Graduate Medical Education described in the state plan transmittal #03-20, Section 4.19-A. (11) titled Graduate Medical Education Reimbursement for Public Teaching Hospitals. The $40 million total funds for OHSU is intended to roll up in the current service level budget for the 2019-21 biennium based on adding standard inflation.

Per House Bill 2391, OHSU will receive net reimbursement of at least 84 percent of the university's costs of providing services that are paid for, in whole or in part, with Medicaid funds. OHSU's costs for such services, including all health care services provided to Medicaid patients and uninsured indigent patients, will be determined using the cost methodology within the state plan amendment for Disproportionate Share Hospitals (DSH) dated April 1, 2012, transmittal #11-014 Section 4.19-A, titled Public Academic Medical Center Disproportionate Share Adjustments. This total reimbursement will not be subject to the federal DSH allotment cap.

OHSU will report to the Legislature, no later than September 1 of every even numbered year, information regarding its audited financial statements including projected revenue to the state of Oregon and OHSU from the IGT program. The report should include all state directed revenues for the current and future biennia, as well as how OHSU supports its multiple missions of education, research and health care services. The report should also include information on the current percent of costs reimbursed, based on the federal Medicare cost reports and a breakdown of annual cost increases for the biennium.

After OHA has implemented these new programs and program changes, and in anticipation of moving the hospital assessment program fully over to a qualified payment program to comply with new federal managed care regulations, the agency will lay out options for streamlining both the calculations and the distribution methodology. These will be considered for the 2019-21 budget.

The budget includes savings from lower caseload forecasts in the Spring 2017 forecast compared to the Fall 2016 forecast. The Medicaid caseload is down over 36,000 people, resulting in a savings of $57.4 million General Fund and $230 million Federal Funds. The reductions in caseload are primarily in the ACA expansion population and in the Children's Medicaid Program. The new 2017-19 biennial average caseload is 1,020,798, which is about 92,000 fewer people than in 2015-17. The forecast for civilly committed individuals in the caseload for non-Medicaid has also gone down, saving a total of $14.5 million General Fund. The most recent changes in the federal match rate has resulted in General Fund savings of $18.9 million. While the match rate actually went down for Oregon, it did not go down as much as had been built into the budget at the current service level and results in a savings in the current budget.

Several Other Fund revenue adjustments have resulted in less need for General Fund in the budget. A total of $108.2 million of unallocated hospital assessment revenues are included. The forecasted increases in hospital assessment for 2017-19, under the old program, were not included in the current service level. Also included in this number is $12.6 million of assessments carried over from the 2015-17 biennium. The expected drug rebate revenues have increased by $15 million and the forecast for tobacco tax has increased by $12.5 million, both replacing

General Fund. Finally, $3.6 million of Tobacco Master Settlement Agreement resources is used to fund OHP in lieu of tobacco cessation programs in Public Health.

The recommended budget includes several changes to programs that generate General Fund savings. OHA's ongoing efforts to reduce unintended pregnancies, through more widespread use of long acting reversible contraceptives, is expected to save $10.5 million. Enhanced program integrity efforts to combat Medicaid fraud and abuse, as a result of the investments in Package 402 above, is expected to save $15.0 million. Finally, there is an unspecified General Fund reduction to the agency of $4.2 million that may be achieved through caseload or other program changes that result in savings, revenue changes or administrative reductions.

The inflationary increases for CCOs have been reduced by $27.2 million General Fund. This translates to a growth rate of approximately 2.58 percent per year for 18 months during the biennium, rather than the 3.4 percent in the current service level. This is a reduction to the budgeted inflation that could be achieved through some combination of reduced inflation for CCO program costs or administrative savings to reach the budget target of $27.2 million General Fund. A portion of the Fee-for-Service (FFS) inflation is eliminated, for a General Fund reduction of $10 million. In addition, the Subcommittee removed another $5 million General Fund from the FFS inflation to emphasize the importance of moving OHP members out of FFS and into CCOs. As of November 2016, over 180,000 OHP clients were on FFS (sometimes referred to as open card), representing almost 18 percent of all members. The Subcommittee reiterated the importance of moving as many members as possible to CCOs and a new Key Performance Measure was added in order to track the agency's progress on this issue.

The Subcommittee approved an increase of $5.5 million General Fund, consistent with the state's renewed Medicaid waiver. Currently, individuals who are dually eligible for both Medicare and Medicaid are placed in FFS with the option of opting in to CCO services. Under the renewed waiver, these individuals will be placed in CCOs with the option of opting out at any time. This action results in a one-time cost related to the timing of funding for CCOs versus FFS costs as more dual-eligible individuals receive services through CCOs. The renewed waiver also moves certain intensive services provided to children to the CCOs, resulting in a similar timing issue. The budget also includes a reduction of $3.1 million General Fund, $5.8 million total funds and 56 positions to the current service level for the processing and call center. The current service level budget included the addition of staff in the processing and call center in order to increase permanent staff to the level needed in the longer run, rather than relying on temporary and limited duration staff as has been done over the last two years. After this reduction, the budget includes 123 additional staff for the processing and call center. The total staffing levels, including the current temporary and limited duration staff, is expected to go from about 600 currently to about 400 in the next several months. OHA and the Department of Human Services (DHS) have begun working on a plan to move the processing and call center activities in OHA over to DHS, as all eligibility work is expected to be located in DHS in the future.

The non-Medicaid budget fully funds the current service level for community mental health without program reductions. In addition, there is an increase of $20.1 million in tobacco tax revenues available to fund mental health programs. This is the result of forecast increases in expected tobacco tax revenues, as well as funds that were not fully used in the 2015-17 biennium and are now available for 2017-19. The agency expects

to invest most of these resources in programs that will help the state to meet the goals outlined in the U.S. Department of Justice Performance Plan. Priorities include $10-$15 million in additional funding for mobile crisis services and rental assistance with peer support. Other investment priorities include school-based access to behavioral health and the implementation of the Suicide Prevention and Intervention Plan. A total of $2.5 million will be used for veterans' behavioral health services. OHA will work with the Oregon Department of Veterans' Affairs and other stakeholders to identify a process to fund programs and services which improve behavioral health outcomes for Oregon's veterans. OHA will distribute funds and report back to the 2019 Legislature.

Also related to mental health programs, both Medicaid and non-Medicaid, the funding for the residential mental health system needs to be reexamined. Currently, monthly payments are provided by the state for Medicaid and for non-Medicaid services. There are two issues with these payments. First, the amounts have not been adjusted regularly over time to keep pace with increased costs to provide services, primarily due to salary and benefit costs of staff. Second, amounts of the payments vary significantly among providers, generally based on how long they have provided services. Providers who signed contracts years ago receive significantly less than providers who have started providing services recently. Partially because of these rate discrepancies, the residential mental health benefit was "carved out" of the CCO benefit package at its inception and remains so.

OHA has addressed the first issue in the short-term by establishing a rehabilitative per diem rate for Medicaid, which providers have recently begun using. Based on three months of data that is infusing the residential mental health system with significant additional resources. However, there continues to be a need to analyze and establish fair, rational and sustainable rates for providers in the long run, to maintain services and adequately compensate staff, including the need to get all providers to a consistent set of rates. This is critical, as access to residential mental health services is necessary to meet state hospital length of stay and discharge objectives contained in the Oregon Performance Plan.

OHA is in the process of sending out a survey to providers, requesting detailed cost allocation and revenue data that will provide the necessary information to establish a standard methodology for setting rates. The Subcommittee directed the following budget note:

Budget Note

The Oregon Health Authority shall conduct a rate analysis, including but not limited to provider costs as well as expected revenues from billing for rehabilitative services. The agency shall report to the Interim Joint Committee on Ways and Means by November 30, 2017 with a proposed plan for a standard rate or set of rates, a proposed schedule to move all providers to these rates, an analysis of the cost, and plans for funding both the Medicaid and non-Medicaid components. The plan should prioritize increasing rates for providers with the greatest disparity in rates, that is, providers who receive the lowest rates compared to more recent providers who typically receive higher rates. Contingent on available funding, the agency will implement at least the first phase of the plan beginning January 1,

2018. If the agency is unable to fully fund the plan within their existing budget, they should request additional funding during the 2018 legislative session.

During public hearings earlier in session, the agency presented the recommendations from the Behavioral Health Collaborative regarding governance and finance, which envisions a regional governance model for behavioral health. The Subcommittee expressed their intent that this should not create a new layer of bureaucracy, but rather build on existing relationships, and included the following budget note:

Budget Note

The Oregon Health Authority shall work with coordinated care organizations, County Mental Health Programs, local Public Health, local mental health authorities, and others, within each geographic area, to create a single plan of shared accountability for behavioral health system coordination that builds on existing structures and partnerships and fosters further innovation and collaboration with other organizations, by July of 2018. The agency shall provide a progress report to the Joint Committee on Ways and Means during the 2018 legislative session, and a final report to the Legislature by December of 2018 on each region's governance model and plan for shared accountability.

The recommended budget uses $50.2 million in estimated recreational marijuana revenue to replace existing General Fund in alcohol and drug programs and community mental health programs. This revenue is distributed to OHA in two ways: $10 million is distributed to the agency for alcohol and drug prevention and treatment programs, while the rest is deposited in the Mental Health Alcoholism and Drug Services Account. This account in turn requires that 40 percent be distributed to counties for the establishment, operation and maintenance of alcohol and drug abuse prevention, early intervention and treatment services. Because this is a statutory distribution, the recreational marijuana revenues will be sent to the counties. However, because an equivalent amount of General Fund has been reduced in the agency budget, it is the expectation that the agency will reduce each county's General Fund payments for alcohol and drug programs and community mental health programs by an amount equivalent to the distribution of recreational marijuana revenues to that county.

The budget increases Federal Funds limitation by $67.8 million and recognizes General Fund savings of $2.5 million for the Certified Community Behavioral Health Clinic (CCBHC) demonstration program. While the clinics receive significant additional funding overall, the state receives an enhanced federal match rate for certain services provided by the clinics, which results in the General Fund savings included in this package. Other budget adjustments include the elimination of $40 million Other Funds and $575 million Federal Funds limitation that is not needed, as well as administrative reductions. Package 812 eliminates three vacant positions.

This Medicaid budget is based on existing federal laws and rules. Important changes to the Medicaid program and the federal-state funding partnership remain a possibility, should Congress adopt new legislation to repeal or amend the Affordable Care Act or otherwise make changes to the Medicaid program. In addition, the budget assumes Congress reauthorizes funding for the Children's Health Insurance Program (CHIP)

and continues its current enhanced federal match rate. Although CHIP is permanently authorized, current federal law provides federal CHIP funding through September 30, 2017. Congressional action is required by September 30, 2017, for federal CHIP funding to continue.

Health Policy and Analytics

Health Policy and 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 programs within OHA. Together these offices provide services focused on achieving the triple aim of better health, better care, and lower costs. Programs included within HPA include the Office of Health Policy, Office of Health Analytics, the Office of Clinical Improvement Services, Office of Health Information Technology, and Office of Health Information Technology. HPA is supported by General Fund matched with federal Medicaid dollars. The office also receives federal funds through the CMS Adult Medicaid Quality grant, the Health Resources and Services Administration Primary Care grant, and Health Information Technology Electronic Health Records funds.

The Subcommittee approved a total funds budget of $155,837,391, which includes $28,041,902 General Fund, $20,135,775 Other Funds expenditure limitation, $107,659,714 Federal Funds expenditure limitation, and 144 positions (138.15 FTE). The recommended total funds budget is 1.3 percent lower than the 2015-17 Legislatively Approved Budget. Increases in Other Funds limitation from fees related to the Oregon Common Credentialing system is more than offset by a reduction in federal grant funding. The General Fund budget has increased by 13.4 percent, primarily from using General Fund to replace a portion of the federal funding from the State Innovation Models (SIM) grant in the Transformation Center.

The Subcommittee approved Package 095, December 2016 Emergency Board Action which incorporates technical adjustments and transfers made during the December 2016 meeting of the Emergency Board. Package 409, OHA Fee Changes was also approved, for new fees that support the cost of administering the Common Credentialing program. Total Other Funds expenditure limitation is $13.8 million.

The budget includes $500,000 General Fund, which will leverage $4.5 million Federal Funds, to support Medicaid providers to connect to health information exchange (HIE) entities. In 2016, federal funding at a 90 percent match rate became available for this purpose. Finally, General Fund savings of $1.2 million are included for administrative reductions, and Package 812 eliminates two vacant positions (2.00 FTE).

Public Employees' Benefit Board

The 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 over 130,000 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 and administrative costs. The Subcommittee approved a budget of $1,966,743,652 expenditure limitation and 19 positions (18.50 FTE). The budget represents a 5.0 percent funding increase over the 2015-17 legislatively approved funding level.

The budget continues to hold PEBB's total core program expenditure growth at 3.4 percent per employee per year. The Other Funds limitation has been adjusted to reflect the latest projection of employees covered and premium expenditure data. Limitation is also included for premiums on optional insurance such as life, disability and long-term care insurance, for which members generally pay the full premium themselves. Limitation of $12 million is added to allow PEBB to pay their share of the new insurer premium tax on their self-insured program. In order to hold costs down to the 3.4 percent threshold, the Subcommittee encouraged the board continue to develop more cost-effective plans and to examine the proper level of incentives to move more employees to those plans, as well as to examine the appropriateness of the benefit package.

The Subcommittee approved Package 095 to account for technical adjustments as part of the December 2016 Emergency Board actions, and Package 812, which eliminates one vacant position (1.00 FTE).

Oregon Educators Benefit Board

The Oregon Educators Benefit Board (OEBB) administers medical, dental, vision and other benefits for Oregon's school districts, community colleges and education service districts. With the passage of House Bill 2279 (2013), cities, counties and special districts also became 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 and pay administrative costs.

The Subcommittee approved a budget of $1,628,931,192 Other Funds limitation and 19 positions (19.00 FTE). The budget represents a 2.0 percent increase compared to the 2015-17 Legislatively Approved Budget. As with PEBB, the 2017-19 budget continues to hold OEBB core program expenditure growth at 3.4 percent per employee per year.

The Other Funds limitation has been adjusted to reflect the latest caseload projection and premium expenditure data. Limitation is also included for premiums on optional insurance such as life, disability, and long-term care insurance, for which members generally pay the full premium themselves. The Subcommittee approved a technical adjustment and vacancy savings.

Public Health

Public Health administers a variety of programs addressing behavioral and social drivers of health by working to ensure the physical and social environments promote health and make it easier for people to make healthy choices. Public Health programs can complement and amplify investments in health care programs and by focusing on prevention. They can have the potential to reduce the need for costly health care services. Oregon's public health system includes federal, state, counties and local agencies, private organizations and other partners. Public Health operates some programs directly and funds and coordinates other programs through the 34 local health departments across the state.

The Subcommittee approved a budget for Public Health of $587,634,827 total funds, which includes $57,418,481 General Fund, $150,322,819 Other Funds expenditure limitation, $40,000,000 Other Funds Nonlimited, $237,164,476 Federal Funds expenditure limitation, $102,729,051 Federal Funds Nonlimited, and 749 positions (732.16 FTE). The budget represents a total funds decrease of 7.0 percent and General Fund increase of 44.0 percent compared to the 2015-17 Legislatively Approved Budget. The increase in General Fund is driven by the need to replace declining medical marijuana revenues and from an investment in Public Health Modernization.

The budget includes several packages approved by the Subcommittee:

Package 070, Revenue Shortfalls. This package reduces Other Funds expenditure limitation by nearly $1.0 million and two positions (2.91 FTE) to show the effect of revenue shortfalls that would occur if the fee increases included in Package 409 are not approved.

Package 095, December 2016 Emergency Board Actions. This package reflects the extension of the federal Epidemiology and Laboratory Capacity for Infectious Diseases grant, as well as a series of Other Funds limitation adjustments incorporated by the December 2016 Emergency Board. In total, this package decreases Other Funds limitation by $0.6 million, increases Federal Funds limitation by $0.8 million and adds four positions (4.25 FTE).

Package 409, OHA Fee Changes increases fees for the Oregon Environmental Laboratory Accreditation, Newborn Screening, Health Facilities Plan Review and Hospice and In-Home Care Licensing programs and establishes new fees for the Toxic-Free Kids Act and Immunization Alert programs. Some of these fee changes are dependent on the passage of Senate Bill 53, which increases fees for in-home care agencies and hospice programs and House Bill 5027, which ratifies fees the agency increased administratively during the interim. The package results in an Other Funds limitation increase of $2.5 million, decrease in excess Federal Funds limitation of $1.2 million and increase of two positions (2.91 FTE). The Subcommittee expressed their intention that the fees for the Toxic-Free Kids Act be implemented in a transparent, streamlined and cost-efficient manner.

Package 411, Public Health Modernization. This package includes $5.0 million General Fund to support the Public Health Division and local public health authorities in addressing public health system gaps and help build a sustainable infrastructure to support public health modernization long-term.

The Subcommittee approved a series of budget adjustments to recognize cost increases, cost savings, and revenue changes. General Fund is increased by $12.1 million to replace declining medical marijuana revenues. These Other Funds revenues have declined as medical marijuana dispensaries, processors and growers have moved to the Oregon Liquor Control Commission (OLCC) as a result of laws passed during the 2015, 2016, and 2017 Legislative Sessions. In the past, medical marijuana revenues have been used to replace General Fund in several ongoing core public health programs, including support for local public health departments, the Safe Drinking Water Program, Emergency Medical Services, and others. With the shortfall in medical marijuana revenues, General Fund must be added to these programs in order to maintain current

program levels. For 2017-19, General Fund will completely replace transfers of medical marijuana revenues for the following programs: Emergency Medical Services/Trauma ($3.1 million), Drinking Water ($4.2 million), WIC Farmer's Market ($6,250), School Based Health Centers ($0.7 million), and CCare ($3.4 million). All figures include cost allocation expenses. In addition, $745,111 General Fund will be added to State Support for Public Health, in lieu of medical marijuana revenues, leaving a total of $7.1 million of medical marijuana revenues in this program.

The budget decreases General Fund by $2.0 million in CAREAssist, $525,000 in the Oregon Contraceptive Care (CCare) family planning program, and $180,000 in the Breast and Cervical Cancer Screening program to properly reflect the General Fund needed to support those programs' current caseloads and costs. Additional drug rebate revenues are available to meet current funding needs in CAREAssist. The budgets for both CCare and Breast and Cervical Cancer Screening programs fully fund current caseloads, which have declined over time as more Oregonians have health insurance. The Subcommittee noted that if either of these caseloads increases above the level that can be funded using ending balances, the programs are expected to request additional funding in an agency rebalance later in the biennium.

The Subcommittee approved the transfer of the $3.6 million in Tobacco Master Settlement Agreement resources in Public Health to the Health Systems Division to help fund the Oregon Health Plan. These resources currently help fund tobacco prevention and cessation programs, along with a total of $16.3 million in tobacco tax revenues that fund the Tobacco Prevention and Education Program. These tobacco tax revenues will remain in the budget, and were increased by $1.1 million consistent with the May 2017, Office of Economic Analysis revenue forecast.

Other adjustments include administrative reductions of $2.0 million General Fund, and $3.7 million total funds. Package 812 eliminates 17 positions (16.50 FTE), including six positions in the Oregon Medical Marijuana Program for a total funds reduction of $2.8 million. A reduction of $19.5 million Other Funds limitation and $27.5 million Federal Funds limitation is also included in order to true up the budget to current revenue and expenditure expectations.

Finally, the Subcommittee approved Package 816, Senate Bill 1057 Medical Marijuana. This package results in a decrease in Other Funds limitation of $2.7 million and an increase of two positions (decrease of 7.00 FTE). A total of 14 positions are eliminated halfway through the biennium. These adjustments represent the net budgetary impact related to changes in medical and recreational marijuana regulations pursuant to Senate Bill 1057 (2017). A significant part of the net decrease in Other Funds revenue reflects OHA's estimate of the number of growers, processers and dispensaries migrating to OLCC and the corresponding loss in medical marijuana fee revenue. As a result of all the changes in positions within the Oregon Medical Marijuana Program, a cost-neutral reclassification package is approved to allow the agency to better manage the remaining positions and resources.

Oregon State Hospital

The Oregon State Hospital (OSH) is an integral part of the statewide behavioral health system, providing 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. The hospital has gone through significant programmatic changes in the past several years, underscored by the closure

of the Blue Mountain Recovery Center in Pendleton and the Portland campus. The two remaining campuses have the capacity to serve up to 794 individuals, with 620 beds in Salem and 174 beds in Junction City.

The budget approved by the Subcommittee is $556,542,331 total funds, which includes $454,869,747 General Fund, $66,196,851 Other Funds expenditure limitation, $35,475,733 Federal Funds expenditure limitation, 2,289 positions (2,282.95 FTE). The recommended total funds budget is 5.9 percent higher than the 2015-17 Legislatively Approved Budget. The General Fund budget has increased only 0.6 percent, or $2.9 million, as the hospital continues to generate increasing amounts of Other Funds revenue through Medicare billing. This revenue has been used to reduce the need for General Fund.

The Subcommittee approved Package 410, Oregon State Hospital Improvements. This package reflects the certification by CMS of additional hospital-licensed beds. CMS certification enables the hospital to bill insurance plans for patients covered under Medicare, Medicaid, and third party (commercial) insurance. These billings will support hospital costs that would otherwise have been supported with General Fund. The hospital needs to continue the compliance, billing and accreditation activities related to sustaining the CMS certification and continued revenue generation, and will invest $10.4 million of the additional revenues for this purpose. Overall, the package results in General Fund savings of $30.1 million, an increase in Other Funds limitation of $40.5 million and 32 additional positions (27.63 FTE).

Budget adjustments to the current service level maintain the closure of three currently unoccupied cottages and two unoccupied wards at the Junction City campus, for General Fund savings of $34.5 million. The closure of two unoccupied cottages at the Salem campus is also maintained, for General Fund savings of $6.2 million. In addition, the package does not include funding to expand the coverage of the Collaborative Problem Solving program, which saves $4.2 million General Fund. The base budget amount of $3.9 million is available to continue this training program, and the Subcommittee discussed their intention that this important training program move forward. These three adjustments result in a reduction of 182 positions (179.00 FTE) compared to current service level. A cost-neutral reclassification package was approved in order to appropriately reflect the current staffing plans at each of the campuses of the hospital. The position mix has not been adjusted since each of the facilities opened.

Central Services, Shared Services, and State Assessments and Enterprise-wide Costs

Core administrative functions for OHA are divided into Central Services, Shared Services and State Assessments and Enterprise-Wide Costs (SAEC). Central Services includes all governance functions specifically for the operation of OHA, such as the director's office, communications, human resources and budget, planning and analysis. Shared Services provides administrative services to both OHA and DHS regardless of where each function is housed. SAEC is the budget structure for payments to the Department of Administrative Services (DAS) and third parties for goods and services that serve the whole agency, such as facility rents, state data center charges, DAS risk assessment, DAS government services charges, unemployment assessments, mass transit taxes, computer replacement, and debt service.

The Subcommittee approved budget for these administrative functions is $472,823,922 total funds, which includes $219,789,662 General Fund, $231,570 Lottery Funds, $179,582,102 Other Funds expenditure limitation, $69,501,278 Federal Funds expenditure limitation, $3,719,310 Federal Funds Nonlimited and 586 positions (584.74 FTE). The budget represents a total funds decrease of 20.4 percent and General Fund increase of 3.2 percent compared to the 2015-17 Legislatively Approved Budget. A significant reason for the General Fund increase is the result of cost allocation changes resulting from bringing the Oregon State Hospital into the agency's cost allocation model.

The Subcommittee approved five packages making technical adjustments and to recognize the administrative budget adjustments necessary for packages approved in other OHA program areas.

Package 095, December 2016 Emergency Board Actions. This package increases General Fund by $5.0 million, reduces Other Funds limitation by $2.3 million, reduces Federal Funds limitation by $4.9 million and reduces 12 positions (2.75 FTE). A key component in this package is the continued impact of including the Oregon State Hospital into the agency's cost allocation model. The package also makes a series of technical adjustments and transfers.

Package 405, MMIS Modularization. This package supports the Shared Services expenditures of $2.0 million Other Funds limitation for the strategic planning process for the modularization of MMIS, as required by CMS. The HSD budget also includes a corresponding package to fund project costs in that program.

The Subcommittee approved Package 801, LFO Analyst Adjustments. This package makes numerous adjustments related to cost allocation issues, Shared Services funding changes to properly support program adjustments made elsewhere in the budget, additional costs for the utilization of DAS services, administrative reductions, and technical adjustments and transfers, including the transfer of information technology security staff to the Office of State Information Technology Services in DAS pursuant to Executive Order 16-13 (Unifying Cyber Security in Oregon). Overall, the package increases General Fund by $20.7 million, increases Lottery Funds by $0.2 million, reduces Other Funds limitation by nearly $6.0 million, decreases Federal Funds limitation by $23.9 million and reduces seven positions (6.50 FTE). Package 812 eliminates four vacant positions (4.37 FTE) and reduces the budget by $2.7 million totals funds.

The budget also includes Package 816, Senate Bill 1057 Medical Marijuana. This package increase Other Funds limitation by $0.1 million to support the Shared Services expenses related to the impact to OHA pursuant to Senate Bill 1057 (2017). A corresponding package is also approved in Public Health for the impact to that program.

Summary of Performance Measure Action

See attached Legislatively Adopted 2017-19 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Health Authority
Tom MacDonald -- 503-586-6689

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
2015-17 Legislatively Approved Budget at June 2017 *	$ 2,158,369,827	$ 11,348,753	$ 6,138,031,417	$ 273,000,902	$ 11,448,264,704	$ 106,853,023	$ 20,135,868,626	4,454	4,394.82
2017-19 Current Service Level (CSL)*	$ 3,190,659,426	$ 12,456,604	$ 5,733,331,142	$ 40,000,000	$ 11,613,394,315	$ 106,448,361	$ 20,696,289,848	4,780	4,741.84
SUBCOMMITTEE ADJUSTMENTS (from CSL)	$ (992,086,360)	$ 5,129	$ 848,982,555	$ -	$ (690,562,856)	$ -	$ (833,661,532)	(209)	(210.24)
TOTAL ADJUSTMENTS	$ (992,086,360)	$ 5,129	$ 848,982,555	$ -	$ (690,562,856)	$ -	$ (833,661,532)	(209)	(210.24)
SUBCOMMITTEE RECOMMENDATION *	$ 2,198,573,066	$ 12,461,733	$ 6,582,313,697	$ 40,000,000	$ 10,922,831,459	$ 106,448,361	$ 19,862,628,316	4,571	4,531.60
% Change from 2015-17 Leg Approved Budget	1.9%	9.8%	7.2%	(85.3%)	(4.6%)	(0.4%)	(1.4%)	2.6%	3.1%
% Change from 2017-19 Current Service Level	(31.1%)	0.0%	14.8%	0.0%	(5.9%)	0.0%	(4.0%)	(4.4%)	(4.4%)
*Excludes Capital Construction Expenditures									
Oregon Health Authority - Health Systems Division									
2015-17 Legislatively Approved Budget at June 2017 *	$ 1,428,770,413	$ 11,348,753	$ 2,272,722,979	$ 103,500,000	$ 10,939,627,504	$ -	$ 14,755,969,649	623	610.47
2017-19 Current Service Level (CSL)*	$ 2,392,476,511	$ 12,456,604	$ 1,764,924,880	$ -	$ 11,106,290,230	$ -	$ 15,276,148,225	798	790.10
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 030-01 - Health Systems Division									
Pkg 070: Revenue shortfalls	$ -	$ -	$ (2,158,800)	$ -	$ -	$ -	$ (2,158,800)		
Pkg 095: December 2016 Emergency Board Actions									
CAWEM GF savings	$ (3,661,323)	$ -	$ -	$ -	$ 3,661,323	$ -	$ -		
Increase in actuarial services	$ 854,593	$ -	$ -	$ -	$ 854,593	$ -	$ 1,709,186		
Technical adjustments and transfers	$ 726,064	$ -	$ (2,700,000)	$ -	$ 2,702,592	$ -	$ 728,656	11	11.00
Pkg 402: Enhanced OHA Office of Program Integrity	$ 2,998,515	$ -	$ 2,050,000	$ -	$ 5,045,865	$ -	$ 10,094,380	9	8.00
Pkg 404: Juvenile Fitness to Proceed	$ (438,984)	$ -	$ -	$ -	$ -	$ -	$ (438,984)		
Pkg 405: MMIS Modularization	$ 344,538	$ -	$ -	$ -	$ 3,032,701	$ -	$ 3,377,239		
Pkg 406: ONE System Enhancements	$ 1,283,680	$ -	$ -	$ -	$ 11,516,320	$ -	$ 12,800,000		
Pkg 801: LFO Analyst Adjustments									
Revenue pkg: DRG hospital assessment revenues to OHP	$ (197,400,000)	$ -	$ 126,000,000	$ -	$ (122,500,000)	$ -	$ (193,900,000)		
Revenue pkg: A and B hospital assessment revenues	$ (90,000,000)	$ -	$ 123,000,000	$ -	$ 90,000,000	$ -	$ 123,000,000		
Revenue pkg: OHSU Inter-governmental transfer plan	$ (105,000,000)	$ -	$ 152,000,000	$ -	$ 159,000,000	$ -	$ 206,000,000		
Revenue pkg: 1.5% insurer tax	$ (207,000,000)	$ -	$ 231,000,000	$ -	$ 80,000,000	$ -	$ 104,000,000		
Medicaid caseload forecast - Spring 2017	$ (57,403,500)	$ -	$ -	$ -	$ (229,981,996)	$ -	$ (287,385,496)		
Non-Medicaid caseload forecast - Spring 2017	$ (14,512,828)	$ -	$ -	$ -	$ -	$ -	$ (14,512,828)		
FMAP match rate change	$ (18,869,600)	$ -	$ (2,559,900)	$ -	$ 21,429,500	$ -	$ -		
Savings from moving caseload from FFS to CCOs	$ (5,000,000)	$ -	$ -	$ -	$ (15,000,000)	$ -	$ (20,000,000)		
Additional hospital assessment that was unallocated	$ (108,200,000)	$ -	$ 108,200,000	$ -	$ -	$ -	$ -		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
Pkg 801: LFO Analyst Adjustments (continued)									
Reduce CCO inflation to about 2.58% per year for 18 months	$ (27,200,000)	$ -	$ -	$ -	$ (99,300,000)	$ -	$ (126,500,000)		
Additional drug rebate revenue	$ (15,000,000)	$ -	$ 15,000,000	$ -	$ -	$ -	$ -		
Program Integrity savings (POP 402)	$ (15,000,000)	$ -	$ 15,000,000	$ -	$ -	$ -	$ -		
Savings from using long acting reversible contraceptives	$ (10,500,000)	$ -	$ -	$ -	$ (16,000,000)	$ -	$ (26,500,000)		
Eliminate a portion of fee-for-service inflation	$ (10,000,000)	$ -	$ -	$ -	$ (28,000,000)	$ -	$ (38,000,000)		
Enforce mental health preferred drug list	$ (4,200,000)	$ -	$ (4,800,000)	$ -	$ (10,500,000)	$ -	$ (19,500,000)		
New marijuana tax revenue to replace GF for A&D	$ (50,242,000)	$ -	$ 50,242,000	$ -	$ -	$ -	$ -		
Use TMSA from Public Health to fund OHP	$ (3,564,100)	$ -	$ 3,564,100	$ -	$ -	$ -	$ -		
Reduce new positions in processing center	$ (3,091,301)	$ -	$ -	$ -	$ (2,660,165)	$ -	$ (5,751,466)	(56)	(56.00)
Waiver renewal - duals and Kids Intensive to CCOs	$ 5,480,388	$ -	$ -	$ -	$ 9,468,099	$ -	$ 14,948,487		
Tobacco tax forecast Medicaid- May 2017	$ (12,519,000)	$ -	$ 12,519,000	$ -	$ -	$ -	$ -		
Tobacco tax forecast non-Medicaid- May 2017	$ -	$ -	$ 20,065,754	$ -	$ -	$ -	$ 20,065,754		
Lottery forecast - May 2017	$ -	$ (226,441)	$ -	$ -	$ -	$ -	$ (226,441)		
Staff to implement/monitor new revenue sources	$ 232,565	$ -	$ 1,819	$ -	$ 219,540	$ -	$ 453,924	2	2.00
Certified Community Behavioral Health Centers Grant	$ (2,500,000)	$ -	$ -	$ -	$ 67,765,971	$ -	$ 65,265,971		
Opioid Crisis Grant	$ -	$ -	$ -	$ -	$ 13,123,104	$ -	$ 13,123,104	1	1.00
True up limitation	$ -	$ -	$ (40,000,000)	$ -	$ (575,000,000)	$ -	$ (615,000,000)		
Administrative reductions	$ (3,755,176)	$ -	$ -	$ -	$ -	$ -	$ (3,755,176)		
Technical adjustments and transfers	$ (716,856)	$ -	$ (941,332)	$ -	$ (1,974,067)	$ -	$ (3,632,255)	3	3.00
Pkg 812: Vacant Position Elimination	$ (168,912)	$ -	$ (6,215)	$ -	$ (163,352)	$ -	$ (338,479)	(3)	(3.00)
TOTAL ADJUSTMENTS	$ (954,023,237)	$ (226,441)	$ 805,476,426	$ -	$ (633,259,972)	$ -	$ (782,033,224)	(33)	(34.00)
SUBCOMMITTEE RECOMMENDATION *	$ 1,438,453,274	$ 12,230,163	$ 2,570,401,306	$ -	$ 10,473,030,258	$ -	$ 14,494,115,001	765	756.10
% Change from 2015-17 Leg Approved Budget	0.7%	7.8%	13.1%	(100.0%)	(4.3%)		(1.8%)	22.8%	23.9%
% Change from 2017-19 Current Service Level	(39.9%)	(1.8%)	45.6%		(5.7%)		(5.1%)	(4.1%)	(4.3%)

*Excludes Capital Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
Oregon Health Authority - Health Policy and Analytics									
2015-17 Legislatively Approved Budget at June 2017 *	$ 24,738,944	$ -	$ 9,619,843	$ -	$ 123,584,268	$ -	$ 157,943,055	137	131.49
2017-19 Current Service Level (CSL)*	$ 27,344,901	$ -	$ 3,655,137	$ -	$ 100,881,847	$ -	$ 131,881,885	144	138.15
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 030-02 - Health Policy and Analytics									
Pkg 095: December 2016 Emergency Board Actions									
Technical adjustments and transfers	$ 523,271	$ -	$ 2,700,873	$ -	$ 495,652	$ -	$ 3,719,796	2	2.00
Pkg 409 OHA Fee Changes	$ -	$ -	$ 13,814,870	$ -	$ -	$ -	$ 13,814,870		
Pkg 801: LFO Analyst Adjustments									
Health Information Exchange onboarding	$ 500,000	$ -	$ -	$ -	$ 4,500,000	$ -	$ 5,000,000		
Administrative reductions	$ (1,218,686)	$ -	$ (26,427)	$ -	$ (229,839)	$ -	$ (1,474,952)		
Technical adjustments and transfers	$ 1,021,832	$ -	$ (8,678)	$ -	$ 2,141,000	$ -	$ 3,154,154		
Pkg 812: Vacant Position Elimination	$ (129,416)	$ -	$ -	$ -	$ (128,946)	$ -	$ (258,362)	(2)	(2.00)
TOTAL ADJUSTMENTS	$ 697,001	$ -	$ 16,480,638	$ -	$ 6,777,867	$ -	$ 23,955,506	0	0.00
SUBCOMMITTEE RECOMMENDATION *	$ 28,041,902	$ -	$ 20,135,775	$ -	$ 107,659,714	$ -	$ 155,837,391	144	138.15
% Change from 2015-17 Leg Approved Budget	13.4%		109.3%		(12.9%)		(1.3%)	5.1%	5.1%
% Change from 2017-19 Current Service Level	2.5%		450.9%		6.7%		18.2%	0.0%	0.0%

*Excludes Capital Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
Oregon Health Authority - Public Employees' Benefits Board									
2015-17 Legislatively Approved Budget at June 2017 *	$ -	$ -	$ 1,872,814,604	$ -	$ -	$ -	$ 1,872,814,604	19	18.50
2017-19 Current Service Level (CSL)*	$ -	$ -	$ 1,899,933,830	$ -	$ -	$ -	$ 1,899,933,830	20	19.50
SCR 030-03 - Public Employees' Benefits Board									
Pkg 095: December 2016 Emergency Board Actions									
Technical adjustments and transfers	$ -	$ -	$ (212,600)				$ (212,600)	(1)	(1.00)
Pkg 801: LFO Analyst Adjustments									
Update budget to latest data	$ -	$ -	$ 67,042,114	$ -	$ -	$ -	$ 67,042,114		
Vacancy savings	$ -	$ -	$ (55,688)	$ -	$ -	$ -	$ (55,688)		
Technical adjustments and transfers	$ -	$ -	$ 275,469	$ -	$ -	$ -	$ 275,469	1	1.00
Pkg 812: Vacant Position Elimination	$ -	$ -	$ (239,473)	$ -	$ -	$ -	$ (239,473)	(1)	(1.00)
TOTAL ADJUSTMENTS	$ -	$ -	$ 66,809,822	$ -	$ -	$ -	$ 66,809,822	(1)	(1.00)
SUBCOMMITTEE RECOMMENDATION *	$ -	$ -	$ 1,966,743,652	$ -	$ -	$ -	$ 1,966,743,652	19	18.50
% Change from 2015-17 Leg Approved Budget			5.0%				5.0%	0.0%	0.0%
% Change from 2017-19 Current Service Level			3.5%				3.5%	(5.0%)	(5.1%)

*Excludes Capital Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
Oregon Health Authority - Oregon Educators Benefits Board									
2015-17 Legislatively Approved Budget at June 2017 *	$ -	$ -	$ 1,597,477,853	$ -	$ -	$ -	$ 1,597,477,853	22	22.00
2017-19 Current Service Level (CSL)*	$ -	$ -	$ 1,663,552,591	$ -	$ -	$ -	$ 1,663,552,591	20	20.00
SCR 030-04 - Oregon Educators Benefits Board									
Pkg 801: LFO Analyst Adjustments									
Update budget to latest data	$ -	$ -	$ (34,226,509)	$ -	$ -	$ -	$ (34,226,509)		
Vacancy savings	$ -	$ -	$ (83,436)	$ -	$ -	$ -	$ (83,436)		
Technical adjustments and transfers	$ -	$ -	$ (311,454)	$ -	$ -	$ -	$ (311,454)	(1)	(1.00)
TOTAL ADJUSTMENTS	$ -	$ -	$ (34,621,399)	$ -	$ -	$ -	$ (34,621,399)	(1)	(1.00)
SUBCOMMITTEE RECOMMENDATION *	$ -	$ -	$ 1,628,931,192	$ -	$ -	$ -	$ 1,628,931,192	19	19.00
% Change from 2015-17 Leg Approved Budget			2.0%				2.0%	(13.6%)	(13.6%)
% Change from 2017-19 Current Service Level			(2.1%)				(2.1%)	(5.0%)	(5.0%)

*Excludes Capital Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
Oregon Health Authority - Public Health Division									
2015-17 Legislatively Approved Budget at June 2017 *	$ 39,861,581	$ -	$ 183,344,217	$ 40,000,000	$ 266,121,447	$ 102,729,051	$ 632,056,296	789	765.22
2017-19 Current Service Level (CSL)*	$ 45,118,075	$ -	$ 188,030,158	$ 40,000,000	$ 271,772,432	$ 102,729,051	$ 647,649,716	760	751.41
SCR 030-05 - Public Health Division									
Pkg 070: Revenue shortfalls	$ -	$ -	$ (964,062)	$ -	$ -	$ -	$ (964,062)	(2)	(2.91)
Pkg 095: December 2016 Emergency Board actions	$ -	$ -	$ (555,900)	$ -	$ 823,032	$ -	$ 267,132	4	4.25
Pkg 409 OHA Fee Changes	$ -	$ -	$ 2,472,408	$ -	$ (1,163,402)	$ -	$ 1,309,006	2	2.91
Pkg 411 Public Health Modernization	$ 5,000,000	$ -	$ -	$ -	$ -	$ -	$ 5,000,000		
Pkg 801: LFO Analyst Adjustments									
GF replaces medical marijuana revenue shortfall	$ 12,100,000	$ -	$ (12,100,000)	$ -	$ -	$ -	$ -		
CCare true-up	$ (525,000)	$ -	$ -	$ -	$ (4,725,000)	$ -	$ (5,250,000)		
Breast and Cervical Cancer Screening true-up	$ (180,000)	$ -	$ -	$ -	$ -	$ -	$ (180,000)		
CARE Assist true-up	$ (2,000,000)	$ -	$ -	$ -	$ -	$ -	$ (2,000,000)		
Use TMSA to fund OHP	$ -	$ -	$ (3,564,100)	$ -	$ -	$ -	$ (3,564,100)		
TURA forecast - May 2017	$ -	$ -	$ 1,147,000	$ -	$ -	$ -	$ 1,147,000		
Move EPA BEACH grant to DEQ	$ -	$ -	$ -	$ -	$ (322,000)	$ -	$ (322,000)		
Administrative reductions	$ (2,043,637)	$ -	$ (765,911)	$ -	$ (861,834)	$ -	$ (3,671,382)		
True up limitation	$ -	$ -	$ (19,461,952)	$ -	$ (27,512,781)	$ -	$ (46,974,733)		
Technical adjustments and transfers	$ (50,957)	$ -	$ 776,892	$ -	$ -	$ -	$ 725,935		
Pkg 812: Vacant Position Elimination	$ -	$ -	$ (1,989,814)	$ -	$ (845,971)	$ -	$ (2,835,785)	(17)	(16.50)
Pkg 816: SB 1057 Medical Marijuana	$ -	$ -	$ (2,701,900)	$ -	$ -	$ -	$ (2,701,900)	2	(7.00)
TOTAL ADJUSTMENTS	$ 12,300,406	$ -	$ (37,707,339)	$ -	$ (34,607,956)	$ -	$ (60,014,889)	(11)	(19.25)
SUBCOMMITTEE RECOMMENDATION *	$ 57,418,481	$ -	$ 150,322,819	$ 40,000,000	$ 237,164,476	$ 102,729,051	$ 587,634,827	749	732.16
% Change from 2015-17 Leg Approved Budget	44.0%		(18.0%)	0.0%	(10.9%)	0.0%	(7.0%)	(5.1%)	(4.3%)
% Change from 2017-19 Current Service Level	27.3%		(20.1%)	0.0%	(12.7%)	0.0%	(9.3%)	(1.4%)	(2.6%)

*Excludes Capital Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
Oregon Health Authority - Oregon State Hospital									
2015-17 Legislatively Approved Budget at June 2017 *	$ 452,013,672	$ -	$ 23,951,824	$ -	$ 49,397,904	$ -	$ 525,363,400	2,269	2,262.90
2017-19 Current Service Level (CSL)*	$ 531,068,904	$ -	$ 25,611,323	$ -	$ 35,847,166	$ -	$ 592,527,393	2,438	2,433.32
SCR 030-06 - Oregon State Hospital									
Pkg 095: December 2016 Emergency Board actions	$ -	$ -	$ 212,600	$ -	$ -	$ -	$ 212,600	1	1.00
Pkg 410 Oregon State Hospital Improvements	$ (30,055,888)	$ -	$ 40,489,029	$ -	$ -	$ -	$ 10,433,141	32	27.63
Pkg 801: LFO Analyst Adjustments									
Junction City - continue closure of 3 cottages and 2 wards	$ (34,458,324)	$ -	$ -	$ -	$ -	$ -	$ (34,458,324)	(140)	(137.00)
Reduced coverage of Collaborative Problem Solving	$ (4,222,695)	$ -	$ -	$ -	$ -	$ -	$ (4,222,695)	(13)	(13.00)
Maintain closure of two cottages at Salem campus	$ (6,195,867)	$ -	$ -	$ -	$ (371,433)	$ -	$ (6,567,300)	(29)	(29.00)
Technical adjustments and transfers	$ (1,266,383)	$ -	$ (116,101)	$ -	$ -	$ -	$ (1,382,484)		
TOTAL ADJUSTMENTS	$ (76,199,157)	$ -	$ 40,585,528	$ -	$ (371,433)	$ -	$ (35,985,062)	(149)	(150.37)
SUBCOMMITTEE RECOMMENDATION *	$ 454,869,747	$ -	$ 66,196,851	$ -	$ 35,475,733	$ -	$ 556,542,331	2,289	2,282.95
% Change from 2015-17 Leg Approved Budget	0.6%		176.4%		(28.2%)		5.9%	0.9%	0.9%
% Change from 2017-19 Current Service Level	(14.3%)		158.5%		(1.0%)		(6.1%)	(6.1%)	(6.2%)

*Excludes Capital Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
Oregon Health Authority - Central Services, Shared Services, Statewide Assessments and Enterprise-wide Costs									
2015-17 Legislatively Approved Budget at June 2017 *	$ 212,985,217	$ -	$ 178,100,097	$ 129,500,902	$ 69,533,581	$ 4,123,972	$ 594,243,769	595	584.24
2017-19 Current Service Level (CSL)*	$ 194,651,035	$ -	$ 187,623,223	$ -	$ 98,602,640	$ 3,719,310	$ 484,596,208	600	589.36
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCRs 010-04, 010-45, 010-50 - Central Services, Shared Services, Statewide Assessments and Enterprise-wide Costs									
Pkg 095: December 2016 Emergency Board actions	$ 5,001,464	$ -	$ (2,347,947)	$ -	$ (4,916,255)	$ -	$ (2,262,738)	(12)	(2.75)
Pkg 405: MMIS Modularization	$ -	$ -	$ 2,022,391	$ -	$ -	$ -	$ 2,022,391	9	9.00
Pkg 801: LFO Analyst Adjustments									
Regional Health Equity Coalition funding	$ 858,329	$ -	$ -	$ -	$ -	$ -	$ 858,329		
Office of Equity and Inclusion - DELTA funding	$ -	$ -	$ 120,400	$ -	$ -	$ -	$ 120,400		
Cost allocation and utilization - SGSC/ETS	$ 11,155,147	$ -	$ 676,415	$ -	$ (13,204,877)	$ -	$ (1,373,315)		
Telecom (MUSIC) Migration Project	$ 1,024,343	$ -	$ 49,663	$ -	$ 877,204	$ -	$ 1,951,210		
Risk charges and facilities	$ (383,565)	$ -	$ 169,268	$ -	$ (3,761,559)	$ -	$ (3,975,856)		
Shared Services cost allocation fund shift	$ 11,720,765	$ -	$ (5,015,096)	$ -	$ (6,793,744)	$ -	$ (88,075)		
ISPO move to DAS	$ (180,628)	$ -	$ (1,007,571)	$ -	$ (106,558)	$ -	$ (1,294,757)	(4)	(3.50)
Including Lottery Funds for cost allocation	$ (31,570)	$ 231,570	$ (200,000)	$ -	$ -	$ -	$ -		
DHS Shared Services vacancy savings - OHA share	$ (684,690)	$ -	$ (192,985)	$ -	$ (414,823)	$ -	$ (1,292,498)		
Administrative reductions	$ (3,810,925)	$ -	$ (876,409)	$ -	$ (351,176)	$ -	$ (5,038,510)		
Technical adjustments and transfers	$ 1,012,364	$ -	$ 325,204	$ -	$ (166,933)	$ -	$ 1,170,635	(3)	(3.00)
Pkg 812: Vacant Position Elimination	$ (542,407)	$ -	$ (1,877,866)	$ -	$ (262,641)	$ -	$ (2,682,914)	(4)	(4.37)
Pkg 816: SB 1057 Medical Marijuana	$ -	$ -	$ 113,412	$ -	$ -	$ -	$ 113,412		
TOTAL ADJUSTMENTS	$ 25,138,627	$ 231,570	$ (8,041,121)	$ -	$ (29,101,362)	$ -	$ (11,772,286)	(14)	(4.62)
SUBCOMMITTEE RECOMMENDATION *	$ 219,789,662	$ 231,570	$ 179,582,102	$ -	$ 69,501,278	$ 3,719,310	$ 472,823,922	586	584.74
% Change from 2015-17 Leg Approved Budget	3.2%		0.8%	(100.0%)	0.0%	(9.8%)	(20.4%)	(1.5%)	0.1%
% Change from 2017-19 Current Service Level	12.9%		(4.3%)		(29.5%)		(2.4%)	(2.3%)	(0.8%)

*Excludes Capital Construction Expenditures

Legislatively Approved 2017 - 2019 Key Performance Measures

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Agency: Oregon Health Authority

Mission Statement:

Helping people and communities 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 2018	Target 2019
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	37.50%	40.20%	TBD
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	18.40%	11%	TBD
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	75.30%	72%	TBD
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		Approved	61.10%	54%	TBD
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		Approved	68.90%	65%	TBD
7. 30 DAY ILLICIT DRUG USE AMONG 6TH GRADERS - Percentage of 6th graders who have used illicit drugs in the past 30 days.		Approved	1.70%	1.30%	1.30%
8. 30 DAY ALCOHOL USE AMONG 6TH GRADERS - Percentage of 6th graders who have used alcohol in the past 30 days.		Approved	4%	3.50%	3%
9. 30 DAY ILLICIT DRUG USE AMONG 8TH GRADERS - Percentage of 8th graders who have used illicit drugs in the past 30 days.		Approved	7.90%	7%	6%
10. 30 DAY ALCOHOL USE AMONG 8TH GRADERS - Percentage of 8th graders who have used alcohol in the past 30 days.		Approved	15.40%	14%	13%
11. 30 DAY ILLICIT DRUG USE AMONG 11TH GRADERS - Percentage of 11th graders who have used illicit drugs in the past 30 days.		Approved	19.60%	18%	16.50%
12. 30 DAY ALCOHOL USE AMONG 11TH GRADERS - Percentage of 11th graders who have used alcohol in the past 30 days.		Approved	29.80%	28%	26%
13. PRENATAL CARE (POPULATION) - Percentage of women who initiated prenatal care in the first 3 months of pregnancy.		Approved	79%	91%	TBD
14. PRENATAL CARE (MEDICAID) - Percentage of women who initiated prenatal care within 42 days of enrollment.		Approved	84.70%	91%	TBD

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
15. PATIENT CENTERED PRIMARY CARE HOME (PCPCH) ENROLLMENT - Number of members enrolled in patient-centered primary care homes by tier.		Approved	87.50%	100%	TBD
19. ACCESS TO CARE - Percentage of members who responded "always" or "usually" too getting care quickly (composite for adult and child).		Approved	83.80%	87.50%	TBD
20. MEMBER EXPERIENCE OF CARE - Composite measurement: how well doctors communicate; health plan information and customer service (Medicaid population).		Approved	85.40%	90%	TBD
22. RATE OF TOBACCO USE (POPULATION) - Rate of tobacco use among adults.		Approved	20.60%	16%	15%
23. RATE OF TOBACCO USE (MEDICAID) - Percentage of CCO enrollees who currently smoke cigarettes or use tobacco every day or some days.		Approved	30.10%	25%	TBD
24. RATE OF OBESITY (POPULATION) - Percentage of adults who are obese among Oregonians.		Approved	29.20%	28%	27%
25. EFFECTIVE CONTRACEPTIVE USE (POPULATION) - Percentage of reproductive age women who are at risk of unintended pregnancy using an effective method of contraception.		Approved	68.40%	69%	70%
26. EFFECTIVE CONTRACEPTIVE USE (MEDICAID) - Percentage of reproductive age women who are at risk of unintended pregnancy using an effective method of contraception.		Approved	68%	58.20%	TBD
27. FLU SHOTS (POPULATION) - Percentage of adults ages 50-64 who receive a flu vaccine.		Approved	36.10%	57%	70%
28. CHILD IMMUNIZATION RATES (POPULATION) - Percentage of children who are adequately immunized (immunization series 4:3:1:3:3:1:4).		Approved	70%	80%	80%
29. CHILD IMMUNIZATION RATES (MEDICAID) - Percentage of children who are adequately immunized (immunization series 4:3:1:3:3:1:4).		Approved	70.70%	82%	TBD
30. 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.		Approved	8.60%	10.50%	TBD
33. 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	No Data	95%	95%
	Accuracy		No Data	95%	95%
	Availability of Information		No Data	95%	95%
	Expertise		No Data	95%	95%
	Helpfulness		No Data	95%	95%
	Timeliness		No Data	95%	95%
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	No Data	TBD	TBD
16. PQI 01: Diabetes Short-Term Complication Admission Rate		Approved	No Data	139	138
17. PQI 05: COPD or Asthma in Older Adults Admission Rate		Approved	No Data	408	404

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
18. PQI 08: Congestive Heart Failure Admission Rate		Approved	No Data	232	230
19. PQI 15: Asthma in Younger Adults Admission Rate		Approved	No Data	48	47.50
21. MEMBER HEALTH STATUS - Percentage of CAHPS survey respondents with a positive self-reported rating of overall health (excellent, very good, or good).		Approved	No Data	TBD	TBD
31. ELIGIBILITY PROCESSING TIME - Median number of days processing time from date of request to eligibility determination.		Approved	No Data	35	31
32. OHP MEMBERS IN CCOs - Percent of Oregon Health Plan members enrolled in Coordinated Care Organizations.		Approved	No Data	85%	88%
4. MENTAL AND PHYSICAL HEALTH ASSESSMENTS FOR CHILDREN IN DHS CUSTODY - Percentage of children in DHS custody who receive a mental and physical health assessment within 60 days of initial custody.		Legislatively Deleted	58.40%	90%	TBD
15. PRIMARY CARE SENSITIVE HOSPITAL ADMISSIONS/INPATIENT STAYS - Rate per 100,000 client years of admissions (for 12 diagnoses) that are more appropriately treated in an outpatient setting.		Legislatively Deleted	1,031.80	TBD	TBD
19. MEMBER HEALTH STATUS - Percentage of CAHPS survey respondents with a positive self-reported rating of overall health (excellent, very good).		Legislatively Deleted	35.20%	33%	TBD
25. RATE OF OBESITY (MEDICAID) - Percentage of Medicaid population who are obese.		Legislatively Deleted	38.20%	41%	TBD
29. FLU SHOTS (MEDICAID) - Percentage of adults ages 50-64 who receive a flu vaccine.		Legislatively Deleted	37%	57%	TBD

LFO Recommendation:

Approve the KPMs as proposed. Approve targets for 2018 and 2019 as shown.

The agency is proposing to change the way they measure KPM 26 (Contraceptive - Medicaid) and KPM 29 (Immunization - Medicaid) to use a claims-based measure developed for use as a CCO incentive measure. The data and targets should be updated and reported to LFO when available.

The Metrics and Scoring Committee sets the official targets for a number of these measures. The 2019 targets, as well as targets for new measures, should be reported to LFO when available.

KPM 31 Eligibility Processing Time and KPM 32 OHP Members in CCOs may need minor adjustments as the agency finalizes data and methodology for measurement. Any changes should be reported to LFO.

SubCommittee Action:

Approved the LFO recommendation.