

SUBCOMMITTEE RECOMMENDATION

SB 5525

Oregon Health Authority

SB 5525 is the budget bill for the Oregon Health Authority. The agency's mission is to ensure all people achieve optimum physical, mental and social well-being through partnerships, prevention, and access to quality, affordable health care.

The Human Services Subcommittee recommends a total budget of \$23.1 billion, which includes \$2.7 billion General Fund and supports 4,230 positions. The General Fund budget reflects a decrease of 14.6%, or \$464 million, from the current service level. This change largely reflects adjustments to revenues that fund the Oregon Health Plan, including the reinstatement of the insurance premium assessment at 2%, increases in hospital assessment rates, and changes related to the OHSU transfer agreement. The budget maintains the existing level of health care benefits for the Oregon Health Plan and adjusts for caseloads according to the Spring 2019 forecast.

The key General Fund investments in the recommendation include:

- \$31.6 million as part of the Behavioral Health investment package;
- \$13 million to increase behavioral health provider rates;
- \$10 million for Public Health Modernization;
- \$2.9 million for a new voluntary universal home visiting program; and
- \$1.8 million to support the CCO 2.0 initiative.

The Subcommittee also recommends four budget notes, including one requiring a review of Oregon Health Plan capitation rates at an annual growth target of 3.3% established in the budget. Subsequent to the Subcommittee's recommendation, an alternative non-

caseload savings adjustment will be made in the end of session bill to restore the growth target to the traditional 3.4% while still recognizing the agency's commitment to achieve efficiencies. Because of this change, the budget note has been updated to appropriately reflect the 3.4% growth rate.

The Human Services Subcommittee recommends SB 5525 be amended by the -1 amendment and be reported out do pass, as amended.