

**HB 5024 BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

**Prepared By:** Patrick Heath, Department of Administrative Services

**Reviewed By:** Tom MacDonald, Legislative Fiscal Office

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**Oregon Health Authority**

**2021-23**

**Emergency Board**

**2021-23**

PRELIMINARY

**Budget Summary\***

	2019-21	2021 - 23	2021-23	Committee Change from 2019-21	
	Legislatively Approved Budget <sup>(1)</sup>	Current Service Level	Committee Recommendation	Leg. Approved	
				\$ Change	% Change
<b>Oregon Health Authority</b>					
General Fund	\$ 2,578,141,819	\$ 3,519,995,084	\$ 3,568,443,573	\$ 990,301,754	38.4%
General Fund Capital Improvements	\$ 753,070	\$ 785,452	\$ 785,452	\$ 32,382	4.3%
General Fund Debt Service	\$ 60,024,589	\$ 59,443,640	\$ 59,443,640	\$ (580,949)	(1.0%)
Lottery Funds	\$ 17,999,344	\$ 17,338,086	\$ 18,642,083	\$ 642,739	3.6%
Other Funds Limited	\$ 8,012,542,177	\$ 8,169,330,876	\$ 9,088,571,658	\$ 1,076,029,481	13.4%
Other Funds Capital Improvements	\$ 753,070	\$ 785,452	\$ 785,452	\$ 32,382	4.3%
Other Funds Debt Service Limited	\$ 224,985	\$ -	\$ -	\$ (224,985)	(100.0%)
Other Funds Nonlimited	\$ 42,805,127	\$ 40,000,000	\$ 40,000,000	\$ (2,805,127)	(6.6%)
Other Funds Debt Service Nonlimited	\$ 232,064,776	\$ -	\$ -	\$ (232,064,776)	(100.0%)
Federal Funds Limited	\$ 14,091,471,331	\$ 14,614,326,326	\$ 16,900,316,449	\$ 2,808,845,118	19.9%
Federal Funds Nonlimited	\$ 102,729,051	\$ 102,729,051	\$ 102,729,051	\$ -	0.0%
Federal Funds Debt Service Nonlimited	\$ 3,467,210	\$ -	\$ -	\$ -	0.0%
Totals:	\$ 25,142,976,549	\$ 26,524,733,967	\$ 29,779,717,358	\$ 4,636,740,809	18.4%
<b>Emergency Board</b>					
General Fund	\$ -	\$ -	\$ 69,000,000	\$ 69,000,000	100.0%
Totals:	\$ -	\$ -	\$ 69,000,000	\$ 69,000,000	100.0%

**Position Summary**

<b>Oregon Health Authority</b>					
Authorized Positions	4,381	4,277	4,658	277	
Full-time Equivalent (FTE) positions	4,316.87	4,263.81	4,625.63	308.76	

<sup>(1)</sup> Includes adjustments through June 2021

\* 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 in OHA's budget is used as a match for the state's Medicaid programs and to provide Non-Medicaid behavioral health services. Lottery Funds finance gambling addiction prevention and treatment services, as well as behavioral health services for veterans. 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. In addition to Medicaid, Federal Funds support a variety of grant programs across the Department.

Ballot measures significantly increased Other Funds revenues available to OHA in 2021-23. Ballot Measure 108 increased the Cigarette, Vaping, and Tobacco Product taxes, bringing in an additional net \$414.0 million for Medicaid (of which \$102 million was carried over from 2019-21) and an additional \$49.6 million for tobacco cessation and prevention (of which \$10 million was carried over from 2019-21). Ballot Measure 110 decriminalized most drug offenses and diverted marijuana tax revenues from their prior statutory purposes, including amounts currently dedicated to fund behavioral health and addiction and substance use treatment by OHA, to begin a new service model to connect substance users with treatment and recovery services. The measure resulted in an additional \$302.2 million for the new behavioral health resource networks in 2021-23 (of which \$52.8 million was carried over from 2019-21). The measure resulted in a \$70.2 million loss in Other Funds to OHA's existing behavioral health services, which was backfilled with General Fund.

Additional Other Funds revenue changes include an increase in the Type A and B rural hospital provider assessment from 5.5% to 6.0%, generating \$23.0 million Other Funds and saving \$16.8 million General Fund and an increase in the forecast for Insurer taxes by \$82.0 million, leading to General Fund savings of \$74.0 million.

OHA's 2021-23 budget includes an additional \$240.0 million Federal Funds revenue associated with an enhanced federal match rate (FMAP) associated with the US Department of Health and Human Service's COVID-19 public health emergency declaration. Based on guidance from the federal government, the 2021-23 budget assumes an additional 6.2% rate per quarter will be in place through March of 2022, generating approximately \$80 million per quarter in General Fund savings for the Medicaid program. While Oregon's federal reimbursement Medicaid rate is temporarily enhanced, due to the COVID-19 public health emergency, the baseline reimbursement rate declined slightly due to the final step down in the statutory rate for the Affordable Care Act population and Oregon's strong relative economic performance compared to the nation as a whole.

OHA's 2021-23 budget relies on significant new federal grant revenues related to legislation passed in response to the COVID-19 pandemic. This includes investments of \$65 million in American Rescue Plan Act State Fiscal Relief Funds in behavioral health system investments for regional development and innovation, \$32.4 million in enhanced Mental Health Block Grant and Substance Abuse Block Grant funding, \$33.9 million in Centers for Disease Prevention and Control (CDC) grants for enhancing health equity in the state's COVID-19 response, and \$56.8 million for a

CDC Epidemiology and Lab Capacity grant to pay for ongoing COVID-19 pandemic response for contact tracing, testing, laboratory work, and data reporting.

In addition to grant revenues, OHA's 2021-23 budget relies on revenue from legislation that increases fees, including HB 2072 for home health agency fees, HB 2074 for prescription drug monitoring program fees, and HB 2075 for radiation protection services fees.

Finally, the budget reflects the collection of an estimated \$4.2 billion by the Public Employees Benefit Board and the Oregon Educators Benefit Board from state agencies and educational entities to pay premiums and provide health insurance for members.

### **Summary of Human Services Subcommittee Action**

The Oregon Health Authority (OHA) was created in the 2009 Legislative Session to bring most health-related programs into a single agency, maximize its purchasing power, and contain rising health care costs statewide. OHA is overseen by the Oregon Health Policy Board. OHA's mission is to help all people and communities achieve optimum physical, mental, and social well-being through partnerships, prevention, and access to quality, affordable health care. OHA works to achieve its triple-aim goals of improved health, higher quality care, and lower cost through its role administering publicly funded health benefits and through contracts for services with insurers, coordinated care organizations (CCOs), medical providers, local governments, Tribes, and community based organizations.

In total, OHA administered health benefits for approximately 1.3 million Oregonians in 2019-21. OHA also administers the state's public health system, work which touches the lives of every Oregonian. The Public Health Division coordinates with local public health authorities to monitor and respond to public health emergencies and disease outbreaks, regulates businesses causing environmental health hazards, and supports population-level initiatives around maternal and child health, reproductive health, and food security, among other programs.

The Subcommittee recommended a budget for OHA of \$3,628,672,665 General Fund, \$18,642,083 Lottery Funds, \$9,089,357,110 Other Funds expenditure limitation, \$16,900,316,449 Federal Funds expenditure limitation, \$40,000,000 Other Funds Nonlimited, and \$102,729,051 Federal Funds Nonlimited for a total funds budget of \$29,779,717,358 and 4,658 positions (4,625.63 FTE). The budget represents an increase of 47.1% General Fund and a total funds increase of 16.2%, compared to the 2019-21 legislatively approved budget as of June 2021, reflecting OHA's growing medical assistance caseload, as well as investments in promoting health equity, providing behavioral health services, and modernizing Oregon's public health system. OHA recently adopted a 10-year goal to eliminate health disparities in Oregon by 2031-33, and this budget makes investments towards meeting that goal. The budget funds the significant OHP caseload increase without reducing benefits, member eligibility or payments to providers. The budget uses various Other Funds revenues to replace General Fund and incorporates savings resulting from program changes.

The Subcommittee incorporated the agency’s repricing (“reshoot”) adjustments for caseload, federal match rates, revenues, and other changes since the current service level budget was developed. Also included are the Emergency Board actions taken in the 2019-21 biennium, impacting the agency’s 2021-23 budget. The changes made by the Subcommittee are described for each program area in more detail below.

The Subcommittee also recommended a total appropriation of \$69,000,000 General Fund to the Emergency Board for two separate special purpose appropriations; \$49,000,000 to be allocated to OHA for behavior health system transformation and realignment activities and \$20,000,000 to be allocated to OHA for maintaining appropriate staffing levels at the Oregon State Hospital.

**Health Systems Division**

The Health Systems Division (HSD) is a statewide system of integrated physical, behavioral, and oral health care supporting the triple aim of better health, better care, and lower costs by increasing access to preventative, coordinated care for Oregon’s medical assistance program members and behavioral health consumers. 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 Medicaid, the Children’s Health Insurance Program, and Oregon’s Cover All Kids medical coverage. The Non-Medicaid unit 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 not covered 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 Program Support and Administration unit provides the support needed to ensure HSD has the administrative, operational, and information technology resources necessary to fulfill the Division’s mission.

The Subcommittee recommended a total funds budget of \$23,155,433,934, including \$2,461,495,239 General Fund, \$18,096,643 Lottery Funds, \$4,314,696,862 Other Funds expenditure limitation, \$16,361,145,190 Federal Funds expenditure limitation, and 430 positions (417.75 FTE). The total funds budget is a 23.2% increase from the 2019-21 legislatively approved budget, as of June 2021, largely the result of growth in OHA’s medical assistance caseload. The General Fund budget is an increase of \$999,639,415 since the 2019-21 biennium, or 68.4%. In summary, the table below outlines the recommended General Fund adjustments from the Division’s 2021-23 current service level:

<b>Recommended General Fund Adjustments from CSL</b>	<b>General Fund Change</b>
Measure 108 Cigarette Tax Revenues	(\$414.0)
Enhanced Federal FMAP	(\$240.0)
Other Revenue Adjustments, Net	(\$11.7)
Caseload Increase	\$462.7
Behavioral Health Investments	\$131.6
Other Investments	\$62.1

Technical / All Other Changes	(\$38.1)
<b>General Fund Change from CSL</b>	<b>(\$68.8)</b>
\$ in millions	

The Subcommittee recommended the following packages:

Package 081 – April 2020 Emergency Board. This package increases General Fund by \$1,199,536 and \$1,847,109 Federal Funds expenditure limitation as the rollup in 2021-23 of reimbursement increases for Mental Health Adult Foster Homes bargained during the 2019-21 biennium.

Package 087 – August 2020 Special Session Rollup. This package decreases total funds by \$90,321,493 and increases 32 positions (31.05 FTE) to recognize the decisions of the August 2020 special session. The largest impact is a reduction of \$42.1 million General Fund and \$114.3 million Federal Funds to recognize the impact of the reduction in OHA’s 2020 and 2021 CCO rates in OHA’s 2021-23 budget. The package also includes an increase of \$22.5 million Other Funds expenditure limitation, \$33.7 million Federal Funds expenditure limitation, and two positions (2.00 FTE) for the inclusion of reimbursement for ground emergency medical transportation providers within Medicaid. The package also includes \$2.5 million Federal Funds expenditure limitation for a Substance Abuse and Mental Health Services Administration grant; \$7.6 million total funds and 30 positions (29.05 FTE) for the transfer of the member services unit from the Department of Human Services to OHA; and a reduction of \$233,993 total funds to recognize the transfer of positions and funding to other divisions within OHA.

Package 095 – December 2020 Rebalance. This package reduces total funds expenditures by \$265,359 and adds one position (1.00 FTE). This includes the transfer of postage and handling to the State Assessments and Enterprise-wide Costs (SAEC) budget, funds a position for the Opioid grant, transfers funding in from the Public Health Division, related to joint work on reproductive health, and does technical cleanup actions, which net to zero program-wide.

Package 206 – Integrated Eligibility. This package increases \$165,738 General Fund and \$497,214 Federal Fund expenditure limitation for the Health Systems Division to support the Integrated Eligibility system.

Package 403 – Indian Managed Care. This package increases \$1,441,980 General Fund and \$13,517,450 Federal Funds expenditure limitation to support the creation of Indian Managed Care Entities, which will provide care coordination services to American Indian and Alaska Natives enrolled in the Oregon Health Plan.

Package 406 – CAWEM Outpatient Dialysis Coverage. This package increases \$1,143,012 General Fund and \$1,757,251 Federal Fund expenditure limitation to cover the cost of dialysis and the cost of antirejection medication for individuals who have received a kidney transplant under the Citizen / Alien Waived Emergency Medical coverage. These services are currently only covered on an emergency basis for this population.

Package 407 – Fee-for-Service Capacity. This package increases \$12,057,223 General Fund and \$20,137,313 million Federal Funds and nine positions (6.75 FTE) to hire additional staff to improve care coordination for fee for service members to reimburse behavioral rehabilitation service providers for in-home services, to add transition services to the 1915i State Plan, and to change the payment model for interpreter services in which OHP pays the interpreters directly. The package also increases fee for service rates for Applied Behavior Analysis, which includes \$3.3 million General Fund and \$6.5 million Federal Funds, and for Enteral / Parenteral Nutrition, which includes \$1.2 million General Fund and \$1.8 million Federal Funds.

Package 412 – Contract Capacity. This package increases \$237,898 General Fund, \$10,476 Other Funds expenditure limitation, \$248,382 Federal Funds expenditure limitation, and two positions (1.50 FTE) to increase the Health System Division’s capacity to issue and amend contracts, partly in response to investments in community based services in HSD’s budget.

Package 414 – Behavioral Health Information System. This package includes \$2,320,585 General Fund and \$5,407,953 Federal Funds expenditure limitation to continue modernization work on the Compass portfolio of projects, started during the 2019-21 biennium. The Compass projects will improve behavioral health data available to OHA and include projects to establish a behavioral health data warehouse, a longitudinal assessment tool, and replacement costs for a behavioral health reporting system. This includes funding for staff at OHA’s Office of Information Services to directly charge the program for their work in implementing these new systems.

Package 419 – CCO 2.0 Quality Assurance. This package includes \$870,172 General Fund, \$1,152,584 Federal Funds expenditure limitation, and four positions (4.00 FTE) to improve OHA’s ability to meet its oversight and quality assurance responsibilities that came with the implementation of the CCO 2.0 model, during the 2019-21 biennium. This investment is in addition to nine new positions related to CCO 2.0, approved in the 2019 legislative session.

The Subcommittee approved the following budget note:

**Budget Note**

The Oregon Health Authority shall report to the Legislature on its plans for the next round of coordinated care organization contracting. The report shall include: 1) anticipated milestones and deadline dates; 2) an outline of how the process will provide public transparency and communication; and 3) the anticipated resources the agency will need to perform the next round of CCO contracting. The report shall be delivered to the Joint Committee on Ways and Means by January 1, 2023.

Package 431 – Substance Use Disorder Waiver. This package includes \$19,298,207 General Fund, \$110,217,871 Federal Fund expenditure limitation, and one position (1.00 FTE) to increase provider rates for substance use disorder residential treatment providers to increase the number of Oregonians served by these providers and expand recovery support services to include pre- and post-treatment. The Federal Funds

revenues come from a recently approved SUD 1115 demonstration waiver, which requires an external evaluation to determine whether it was effective in expanding treatment of substance use disorders.

Package 801 - LFO Analyst Adjustments. The package reduces General Fund by \$199,829,451, adds \$1,303,997 Lottery Funds, \$462,101,449 Other Funds expenditure limitation, \$1,986,577,309 Federal Funds expenditure limitation, and three positions (2.50) to enhance services provided by the HSD, update revenues for the latest revenue forecasts, update caseloads for the latest caseload forecast, and makes other adjustments. The package includes the following adjustments for revenue forecasts and policy changes that affect OHA's federal Medicaid reimbursement:

- **Ballot Measure 108 Revenues:** \$424,959,000 Other Funds expenditure limitation increase and a like reduction of General Fund to update the Cigarette and Tobacco Product Tax forecasts to reflect the passage of Ballot Measure 108, in November 2020. This includes \$102 million Other Funds in one-time Cigarette and Tobacco Product Tax revenues, which is carried forward from 2019-21. The tax changes increased the tax on a pack of cigarettes by \$2 per pack of 20, taxed little cigars like cigarettes, increased the tax cap on cigars from \$0.50 to \$1.00, established a floor tax on the purchase of cigarette tax stamps, and made vaping products subject to the Tobacco Product Tax, with proceeds going to support OHP and behavioral health.
- \$11,039,000 General Fund increase and a like reduction in Other Funds expenditure limitation for the impact of Ballot Measure 108 on the pre-existing statutory recipients under the old tax due to the expected decline in the number of packs sold.
- **Enhanced COVID-19 FMAP:** \$240,000,000 Federal Fund expenditure limitation increase and a like reduction in General Fund to reflect the anticipated extension of the COVID-19 public health emergency until January 2022 in alignment with guidance from the US Department of Health and Human Services. Congress passed an enhanced 6.2% Medicaid match rate and 4.34% Children's Health Insurance Program match rate for each quarter that the COVID-19 public health emergency declaration is in place, providing an additional \$80 million per quarter, during the state of emergency.
- **Base FMAP Reduction:** \$19,873,874 General Fund increase, \$542,949 Other Funds expenditure limitation increase, and \$20,416,826 Federal Funds expenditure limitation reduction to reflect anticipated reductions in Oregon's non-enhanced federal Medicaid match rate. Oregon's rate is expected to decline, due to improvements in the state's relatively strong economic performance compared with other states nationally, leading to reduced federal participation in Medicaid.



- **Insurer Tax Forecast:** \$82 million Other Funds expenditure limitation increase, \$74 million General Fund decrease, and \$24 million Federal Funds expenditure limitation increase to reflect an anticipated increase in CCO tax revenues, due to increases in the CCO's caseload, as well as increased transfers from the Health Systems Fund insurance tax revenues.
- **Marijuana Tax Backfill:** \$70,208,000 Other Funds expenditure limitation decrease and a like General Fund increase to backfill community mental health service funding reduced by the passage of Ballot Measure 110 (2020), which decriminalized possession of most drugs and reprioritized Marijuana Tax revenues to create a new service model to connect substance users with treatment and recovery services. The increase in Other Funds revenues related to Ballot Measure 110, is reflected in Package 802, Behavioral Health System Investments.
- **Type A / B Hospital Tax Rate Increase:** \$23 million Other Funds expenditure limitation increase, \$16,790,000 General Fund decrease, and a \$16,790,000 Federal Funds increase, due to the increase in the provider tax rate on Type A and B rural hospitals from 5.5% to 6.0%.
- **Tobacco Master Settlement Agreement:** \$12,846,500 Other Fund expenditure limitation increase and a \$12,846,500 General Fund decrease to reflect an increase in the transfer from the Tobacco Master Settlement Agreement account.
- **Lottery Forecast:** \$1,303,997 Lottery Funds increase to reflect the May 2021 Lottery forecast.

The package also includes \$462,678,040 General Fund and \$1,722,538,403 Federal Funds expenditure limitation to reflect the Spring 2021 Medicaid caseload forecast. There are two main factors driving the growth in caseload costs over the prior caseload forecast. First, due to the extension of the COVID-19 public health emergency and as a condition of receiving the enhanced federal match rate, OHA has stopped most activity to re-determine whether clients on the caseload remain eligible for the Oregon Health Plan. As a result, OHA's caseload has grown by approximately 15,000 cases per month, since the beginning of the pandemic. This growth is projected to taper off but the caseload is not projected to peak until July 2022. OHA estimates it will take up to six months to complete redeterminations after the public health emergency ends. The conversion of data from OHA's legacy system to the new ONE / Integrated Eligibility system also affected OHA's caseload in 2021-23, after it was found that data conversions and the application of the new system's eligibility rules have led to the transfer of clients across eligibility groups. This affects the pricing of the caseload forecast because, while the transfers have not resulted in additional cases, more clients transferring from less expensive eligibility to more expensive eligibility groups, resulting in a net fiscal impact from the transfers. Significant risks to the forecast include the assumption about the length of the public health emergency, how long it takes to revert the changes to the ONE / Integrated Eligibility System at the end of the public health emergency, the rate at which new Medicaid members continue to enroll, and the trajectory of the economic and employment recovery from the recession.

The package includes the following program enhancements:

- **Reproductive Health Rate:** \$6,679,460 General Fund to increase reimbursement rates for reproductive health,

- **Neonatal Rate:** \$750,000 General Fund and \$1,174,000 Federal Funds expenditure limitation to increase neonatal and pediatric intensive care provide reimbursement rates, which are targeted at the following reimbursement codes: 99468, 99469, 99471, 99472, 99475, 99476, 99477, 99478, 99479, and 99480,
- **System of Care Advisory Council:** \$4,918,175 General Fund and three positions (2.50 FTE) to increase the System of Care Advisory Council's ability to make grants of \$200,000 per grantee and to provide staffing for the council,
- **Mobile Crisis Response:** \$6,500,000 General Fund for mobile response and stabilization to expand a service for children and adolescents experiencing behavioral health crises in order to reduce more costly interventions involving the medical system, criminal justice system or child welfare system,
- **Interdisciplinary Assessment Teams:** \$5,700,000 General Fund Interdisciplinary Assessment Teams recommended as part of the System of Care work in 2019, and
- **SAMHSA Grants:** \$491,729 Federal Funds expenditure limitation to reflect the award of a Substance Abuse and Mental Health Services Administration (SAMHSA) grant for outreach and intervention with youth and young adults at clinical high risk of psychosis and \$2,000,000 Federal Funds expenditure limitation to reflect the award of a SAMHSA grant targeted to youth and young adults in Douglas and Lane counties for the Oregon Healthy Transitions project.

Additionally, the package reduces \$1 million General Fund to recognize the transition of individuals on 1915i plans out of residential care. The package also reduces \$18,580,500 General Fund to reflect the transfer of the OHA's rental support and wraparound service budget to the Oregon Housing and Community Services (HCSD) department. The rental support budget was previously passed through OHA's budget to HCSD.

Package 802 – Behavioral Health System Investments. This package adds \$131,569,665 General Fund, \$367,195,327 Other Funds expenditure limitation, \$132,550,359 Federal Funds expenditure limitation and 42 positions (41.00 FTE) for the following significant investments in Oregon's community-based behavioral health and substance abuse treatment systems:

- **Regional Development and Innovation:** The budget includes \$65 million in one-time funds available under the American Rescue Plan Act and \$65 million General Fund for capital, start-up, and operational costs related to increasing statewide capacity of licensed residential facilities and housing serving people with behavioral health conditions. The Subcommittee approved this investment with the understanding the Department of Administrative Services (DAS) will unschedule all but \$7 million until projects are identified and OHA demonstrates in a report to the Joint Ways and Means Subcommittee on Human Services by March 1, 2022 the additional residential and housing capacity that will be created. The Subcommittee also included the following instruction:

### **Budget Note**

The Oregon Health Authority (OHA) shall award up to \$5 million to community mental health programs, tribes, Regional Health Equity Coalitions, and other community grantees by September 1, 2021 for identifying community needs, assessing the feasibility and sustainability of potential projects, and other planning activities necessary to increase residential facility and housing capacity with a focus on reducing health inequities. OHA, in consultation with Oregon Housing and Community Services and OHA's advisory councils, including, but not limited to, the Oversight and Accountability Council, the Oregon Consumer Advisory Council and the System of Care Advisory Council, shall issue a Request for Proposals by December 31, 2021 and a recommendation for how to invest available funds for increasing culturally and linguistically appropriate residential treatment and housing capacity to the legislature by March 1, 2022.

- **Transformation and System Alignment:** \$1 million General Fund and two positions (2.00 FTE) for contract planning efforts to transform Oregon's behavioral health system. In addition to the \$1 million General Fund for OHA for this effort, HB 5024 creates a \$49 million Special Purpose Appropriation to the Emergency Board to be allocated to OHA to transform Oregon's behavioral health system into one that aligns outcomes, roles, responsibilities, risk and incentives. To further address this issue, the Legislative Policy and Research Office will convene a workgroup to address health inequities. The workgroup will make recommendations to equitably distribute non-Medicaid funding for behavioral health services to align contract provisions with the goals of preventing hospitalizations, criminalization and homelessness, while also eliminating health inequities. The Subcommittee approved the following budget note:

### **Budget Note**

The Oregon Health Authority (OHA) shall contract with a third-party evaluator to evaluate current behavioral health programs with respect to budget, staffing, data and metrics analysis and tracking, and contracts. The evaluator shall submit a roadmap to increasing financial transparency, accountability and ongoing reporting on Oregon's behavioral health needs and outcomes. As part of this work, County Financial Assistance Agreements should align with coordinated care organization contracts by addressing roles and responsibilities, and ensuring Oregon is maximizing federal funding. The contract shall also recommend risk alignment addressing liability concerns, administrative support, and oversight required of community mental health programs in monitoring treatment services, safety and compliance, and abuse and neglect investigations, as well as overseeing corrective plans, site reviews, crisis services, civil commitment process, and discharge transitions. OHA may request funding to operationalize these recommendations.

- **Ballot Measure 110 Implementation:** \$302,193,109 Other Funds expenditure limitation and 12 positions (12.00 FTE) for expenditures from the Drug Treatment and Recovery Services Fund. Funding will be used to continue a call center to address people seeking substance use disorder treatment, to establish behavioral health resource networks statewide in order to provide a full array of substance use disorder treatment services and to provide grants to community-based services such as peer support organizations, housing providers,

and other wraparound services. This amount includes \$52.8 million in one-time carry-over funds estimated to be remaining from the 2019-21 biennium, as well as \$7.8 million in one-time funds from settlements with opioid manufacturers deposited into the fund.

- **Certified Community Behavioral Health Centers:** \$24,873,949 General Fund, \$96,520,781 Federal Funds expenditure limitation and six positions (5.00 FTE) to continue Oregon’s CCBHC demonstration project to improve quality and access to behavioral health services. CCBHCs receive enhanced Medicaid reimbursements for providing a defined array of comprehensive services for adults and children with complex behavioral health needs. Oregon’s CCBHC model has been funded through reimbursement agreements. This funding continues an investment made in the 2019-21 biennium by the January 2021 Emergency Board; prior to that CCBHCs were funded using a reimbursement agreement with county mental health programs after projected savings to operate the program failed to materialize. Enhanced federal funding for the program was recently extended in December 2020 by a federal COVID-19 relief package. The Subcommittee approved the following budget note related to CCBHCs:

**Budget Note**

The Oregon Health Authority (OHA) shall administer the certified community behavioral health clinic (CCBHC) demonstration program and evaluate whether CCBHCs: 1) increase access to behavioral health treatment for residents of this state; 2) provide integrated physical and behavioral health care; 3) offer services that result in improved health outcomes, lower overall health care costs and improved overall community health; and 4) reduce the cost of care for coordinated care organization members. No later than February 1, 2023, OHA shall report its findings to the interim committees and subcommittees of the Legislative Assembly related to health and mental health and to the interim subcommittee of the Joint Committee on Ways and Means with authority over human services agencies’ budgets.

- **Aid and Assist – Community Services:** \$18,652,326 General Fund and \$2,336,352 Federal Funds expenditure limitation for counties to provide community-based restoration services for individuals unable to aid and assist in their own defense at trial (Aid and Assist patients). This funding continues a \$2.25 million General Fund investment made by the legislature during 2019-21. The goal of funding community-based restoration services is to serve individuals at the least restrictive, lowest level of care wherever possible in order to avoid more costly care in more restrictive settings such as the Oregon State Hospital. The Subcommittee approved the following budget note related to community-based Aid and Assist services:

**Budget Note**

The Oregon Health Authority shall report to the Department of Administrative Services Chief Financial Office and Legislative Fiscal Office on February 1, 2022 and February 1, 2023 on the number of aid and assist clients served at the Oregon State Hospital and through community restoration, amount of funding awarded to communities and providers, and actual expenditures by community mental health program or direct contracts from the funding available in the agency’s budget for community

restoration services, case rate payments, and housing and wraparound services. The reported dollar amounts shall be detailed according to specific service. For amounts expended or obligated on housing and rental assistance, the report shall identify the number of individuals placed in housing as a result of the investments.

- **Aid and Assist - Evaluation Services:** \$500,000 General Fund for OHA to contract with Program Design and Evaluation Services to conduct a root-cause analysis of the increase in the Aid and Assist population in Oregon to help guide program design and potential additional policy changes or investments to address the crisis.
- **Intensive Services Unit:** \$1,818,390 General Fund, \$2,218 Other Funds expenditure limitation, \$297,787 Federal Funds expenditure limitation and 10 positions (10.00 FTE) to provide oversight and coordination of community-based services of individuals under Aid and Assist orders from a court. This continues an investment the legislature made in the 2019-21 biennium to address the Aid and Assist crisis.
- **Psychiatric Residential Treatment Services Capacity:** \$7.5 million General Fund to add an additional 47 new PRTS beds in 2021-23 to address a capacity shortage in this service. The beds would serve approximately 200 children with complex behavioral health needs per year with an average length of stay of 10-12 weeks.
- **Young Adults in Transition:** \$9.2 million General Fund to add four 5-bed Residential Treatment Homes and one 10-bed Secure Residential Treatment Facility to serve Oregon's young adult population (17 to 25) transitioning between the children's system of care and the adult system of care. The funding will also expand provider reimbursement for these services.
- **Tribal-Based Practices:** \$500,000 General Fund and \$1 million Federal Funds expenditure limitation to reimburse the newly created Tribal Traditional Health Worker providers for tribal-based behavioral health practices
- **Mental Health Block Grants:** \$32,395,439 Federal Funds expenditure limitation to account for increases in federal Mental Health Block Grant and the Substance Abuse Prevention and Treatment Block Grant revenues passed as part of the American Rescue Plan Act.
- **OHA Operations:** \$2.5 million General Fund and 12 positions (12.00 FTE) to provide staffing and contractual support for the Health Systems Division to support the behavioral health investments made in this package.

### 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, 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 Integrated Care for Kids grant, the Health Resources and Services Administration Primary Care grant, and Health Information Technology Electronic Health Records funds.

The Subcommittee recommended a total funds budget of \$133,394,918, which includes \$54,081,664 General Fund, \$25,983 Lottery Funds, \$32,555,860 Other Funds expenditure limitation, \$46,731,411 Federal Funds expenditure limitation, and 156 positions (153.98 FTE). The recommended total funds budget is 17.1% lower than the 2019-21 legislatively approved budget as of June 2021, largely as the result of the anticipated expiration of enhanced Medicaid match received through a federal grant for health information technology, in September 2021. The recommended budget includes the following packages:

Package 070 – Revenue Shortfall. This package reduces Federal Funds by \$18,276,922 and nine positions (9.00 FTE) to recognize a decline in the federal match rate for healthcare information technology projects from 90-10 to either 75-25 or 50-50. This decline will eliminate state support for the Oregon Provider Directory and the Clinical Quality Metrics Registry and for Medicaid PreManage, which notifies health plans, CCOs, and providers of client emergency department and inpatient hospital usage.

Package 095 – December 2020 Rebalance. This package reduces total funds expenditures by \$1,828 to account for the centralization of postage and handling charges within the State Assessment and Enterprise-wide Costs budget.

Package 424 – Health IT – Backfill Federal Match Decrease. This package adds \$2,047,367 General Fund, \$2,643,726 Federal Funds expenditure limitation and six positions (6.00 FTE) to backfill a Federal Funds shortfall and maintain state support for Medicaid Pre-Manage, which notifies health plans, CCOs, and providers of client emergency department and inpatient hospital usage.

Package 801 – LFO Analyst Adjustments. This package adds \$70,000 Other Funds expenditure limitation to enhanced funding for the Oregon Prescription Drug Program contract based on higher projected fee revenues that are rebated to the program when members use their discount card. The package also increases FTE on an existing position by 0.17 FTE related to the division's federal grants.

### **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 approximately 140,000 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. Although PEBB's budget is reflected entirely as Other Funds, the agency receives its revenue from public employee health care premium payments; the state's share of these payments is approximately 46% General Fund.

The Subcommittee recommended an Other Funds budget of \$2,311,395,282 and 20 positions (19.50 FTE). The budget represents a 6.1% funding increase over the 2019-21 legislatively approved budget. The Subcommittee recommended the following packages:

Package 095 – December 2020 Rebalance. This package reduces Other Funds expenditure limitation by \$5,930 to account for the centralization of postage and handling charges within the State Assessment and Enterprise-wide Costs budget.

Package 426 – Benefit Management System. This package adds \$4,173,923 Other Funds expenditure limitation to continue work on replacing PEBB and OEGB's benefit management systems with a single system, which began during the 2019-21 biennium. The subcommittee approved this increase with the understanding DAS will un-schedule all of it until the agency demonstrates to the DAS Chief Financial Office and Legislative Fiscal Office the readiness of the project to proceed into its next stage.

### **Oregon Educators Benefit Board**

The Oregon Educators Benefit Board (OEGB) administers medical, dental, vision, and other benefits for Oregon's school districts, community colleges, and education service districts for more than 150,000 employees, retirees and their families. Cities, counties, and special districts are also eligible to join the OEGB benefits program. OEGB designs and maintains a full range of benefit plans for eligible and participating entities to offer their employees and early retirees. OEGB is entirely funded with Other Funds revenue from premium payments, which OEGB then expends to purchase insurance plans.

The Subcommittee recommended a budget of \$1,874,912,819 Other Funds expenditure limitation and 20 positions (20.00 FTE). The budget represents a 3.9% increase compared to the 2019-21 legislatively approved budget. The recommended budget includes the following packages:

Package 095 – December 2020 Rebalance. This package reduces Other Funds expenditure limitation by \$5,929 to account for the centralization of postage and handling charges within the State Assessment and Enterprise-wide Costs budget.

Package 426 – Benefit Management System. This package adds \$4,009,635 Other Funds expenditure limitation to continue work on replacing PEBB and OEGB's benefit management systems with a single system, work which began during the 2019-21 biennium. The subcommittee approved this increase with the understanding DAS will un-schedule all of it until the agency demonstrates to the DAS Chief Financial Office and Legislative Fiscal Office the readiness of the project to proceed into its next stage.

### **Public Health**

The Public Health Division administers statewide programs that protect the public health by working to prevent the leading causes of death, disease and injury. Public Health's programs complement OHA's health care programs by focusing on prevention and helping reduce the need for more costly services. Oregon's public health system includes federal, state, county and local agencies, private organizations, and numerous

other partners. Public Health operates some programs directly, and funds and coordinates other programs through local public health authorities across the state.

The Subcommittee recommended a budget for Public Health of \$970,582,802 total funds, which includes \$155,917,852 General Fund, \$277,366,127 Other Funds expenditure limitation, \$40,000,000 Other Funds Nonlimited, \$394,569,772 Federal Funds expenditure limitation, \$102,729,051 Federal Funds Nonlimited, and 850 positions (834.86 FTE). The budget represents a total funds decrease of 16.6% (largely the result of expiring grants related to the COVID-19 public health emergency) and a General Fund increase of 66.8% compared to the 2019-21 legislatively approved budget, as of June 2021. The change in General Fund is largely due to increased support for Public Health Modernization and additional funding for a voluntary universal home visiting program. The recommended budget includes the following packages:

Package 070 – Revenue Shortfalls. This package decreases Other Funds expenditure limitation by \$5,208,300, to recognize revenue shortfalls in Cigarette and Tobacco Product Taxes, as well as shortfalls in the following fee programs: ambulance licenses, radiation protection service fees, ORELAP fees, Health Licensing Office – respiratory therapists and polysomnographic technologists fees, Prescription Drug Monitoring Program licensing fees, Health Licensing Office - Board of Cosmetology fees, and home health agencies licensing fees.

Package 087 – August 2020 Special Session Rollup. This package increases total fund expenditures by \$60,408,847 and 15 positions (15.00). The package reduces Other Funds expenditure limitation by \$1,495,538 and increases General Fund by a like amount to recognize the shortfall in the Oregon Medical Marijuana Program revenues used in prior biennia to support other areas of Public Health’s budget, \$3,308,559 in total funds and 14 positions (14.00 FTE) to establish positions related to federal grants and to recognize increased fee revenue received in Public Health, and \$56,812,879 Federal Funds limitation for federal grants to increase Public Health’s capacity to respond to the COVID-19 public health emergency through additional testing, contact tracing, laboratory work, and data reporting. The package reduces total funds expenditure limitation by \$287,409 and adds one position related to fully funded positions transferring to Public Health from Multnomah County and a position transferring from Public Health to the Shared Services division.

Package 095 – December 2020 Rebalance. This package increases total funds by \$1,699,429 and two positions (2.00 FTE). This includes \$1.2 million Federal Funds limitation and one position (1.00 FTE) for a SAMHSA Zero Suicide grant, \$0.9 million Federal Funds and one position (1.00 FTE) for a CDC grant to strengthen environmental health capacity, \$0.3 million Federal Funds for a grant to do firearm surveillance, a reduction of \$0.1 million total funds for the transfer of postage and handling to the State Assessment and Enterprise-wide Charges budget, a reduction of \$232,286 Federal Funds related to an expiring grant funding the Domestic Well program, and a reduction of \$312,889 General Fund which is transferred to the Health Systems Division for joint work on reproductive health.

Package 417 – Public Health Modernization. This package adds \$45.0 million General Fund, reduces \$0.5 million Other Funds expenditure limitation, reduces \$0.8 million Federal Funds expenditure limitation, and adds 24 positions (24.00 FTE). This investment will improve the state’s



core public health capacity to deal with emerging public health challenges and address health inequities. The legislature invested \$5 million General Fund in 2017, and \$10 million in 2019 in this multi-biennia effort to modernize Oregon’s public health system.

Package 418 – Universally Offered Home Visiting. This package adds \$4,607,350 General Fund, \$3,196,819 Federal Funds expenditure limitation and four positions (3.50 FTE), to continue the rollout of the Universally Offered Home Visiting program established by Senate Bill 526 (2019), making this service available to an additional 2-4 communities during the 2021-23 biennium. Planning for this program has been ongoing in the 2019-21 biennium, although service rollout was delayed due to the COVID-19 pandemic.

Package 448 – Radiation Protection Fees. This package adds \$1,408,249 Other Funds expenditure limitation and three positions (2.25 FTE) to maintain current operations and to address a backlog of inspections. Radiation Protection Services protects Oregonians from unnecessary exposure to radiation. The package supports increases in most fees the program charges between 33%-60%. This program’s fees are in statute; the Subcommittee recommended HB 2075 to enact this change.

Package 451 – Home Health Agency Fees. This package adds \$51,265 Other Funds expenditure limitation to continue operating the Home Health Agency licensing program at its current level and to repay funds it is borrowing internally to continue operations. The program licenses home health agencies to protect the public. The package supports increases in the fees the agency charges by 250%, increasing a renewal license from \$850 per year to \$2,125 per year. This program’s fees are in statute; the Subcommittee recommended HB 2072 to enact this change.

Package 453 – Prescription Drug Monitoring Program License Fees. This package adds \$657,936 Other Funds expenditure limitation to continue operating the Prescription Drug Monitoring Licensing program at its current level of funding. The program licenses healthcare providers, pharmacists and their staff to ensure the appropriate use of prescription drugs. The package supports the increase in the main licensing fee from \$25 to \$35 per year. This program’s fees are in statute; the Subcommittee recommended HB 2074 to enact this change.

Package 801 – LFO Analyst Adjustments. The package adds \$5,708,769 General Fund, \$49,594,000 Other Funds expenditure limitation, \$35,263,085 Federal Funds expenditure limitation, and 44 positions (33.27) to enhance Public Health’s programs, recognize increased federal grant revenues, and update revenues for the latest revenue forecasts.

The package includes the following program enhancements:

- **Nurse Staffing:** \$1,383,589 General Fund and 6 positions (3.75 FTE) to provide additional staffing for Public Health to support the ongoing implementation of Oregon’s nurse staffing law.
- **Ballot Measure 109 Implementation:** \$2,217,107 General Fund and 14 positions (5.52 FTE) for Ballot Measure 109 (2020) implementation. The measure legalized the medicinal use of psilocybin and requires OHA to establish a regulatory program which will

eventually be funded with a tax on the drug. This package includes General Fund to support the implementation of the measure but does not include the Other Funds expenditure limitation associated with the tax given the number of unknowns about the potential size of the market, the timing of implementation and the need for regulatory oversight. OHA should return to the February 2022 session with more information to request funding to continue implementation of the program.

- **Drinking Water Testing:** \$375,000 General Fund for drinking water testing in wildfire-affected areas. This funding, first approved by the October 2020 Emergency Board in the wake of devastating wildfires, included \$600,000 for testing domestic wells and \$150,000 for testing small water systems. Domestic well funding was not fully spent in the 2019-21 biennium due to delays in debris cleanup. The package provides \$150,000 General Fund for domestic wells to maintain the funding originally awarded in 2019-21. The package appropriates an additional \$225,000 for testing of small water systems, including an additional 850 samples and follow up on the original samples due to the contamination of service lines.
- **Spinal Muscular Atrophy:** \$440,770 General Fund and one position (1.00 FTE) for testing newborns for spinal muscular atrophy.
- **Senior / WIC Nutrition:** \$1,200,000 General Fund and one position (1.00 FTE) for Senior / WIC nutrition enhancements.
- **Position Increases:** \$92,303 General Fund and four positions (4.00 FTE) for administrative and finance positions needed in Public Health, including a Finance Manager, a Local-Tribal Public Health Manager, an Office Manager, and a policy lead in the Office of the Public Health Director. The remainder of these positions is funded with Federal Funds; the division is assumed to have sufficient Federal Funds expenditure limitation to pay for these positions.

The package includes \$45,594,000 Other Funds expenditure limitation for the May 2021 Cigarette and Tobacco Product Tax forecasts, which reflect the passage of Ballot Measure 108 (2020). The measure increased funding tobacco prevention and cessation activities in Public Health. The updated funding includes the carryforward of a \$10 million Other Funds beginning balance which was unspent in 2019-21, as well as an increase in ongoing funding, due to the passage of the measure.

The package also includes \$35,263,085 Federal Funds expenditure limitation to reflect several grants received by Public Health since the development of its budget, including the following:

- **CDC Health Equity:** \$33,925,082 from the Centers for Disease Prevention and Control (CDC) for a non-competitive grant to advance health equity in Oregon's COVID-19 response. OHA will use the grant funds to establish 17 health equity positions to ensure Public Health is able to attract and retain a diverse workforce, provide training and technical assistance in order to expand culturally responsive contact tracing, wraparound services and recovery supports, and provide technical assistance and training for Local Public Health Authorities on the implementation of local Health Equity plans to support the communities most affected by COVID-19. The grant

includes funding for community-based organizations (CBOs) and tribes of \$14.1 million and \$10.7 million based on amounts allocated for similar purposes through the CARES Act of 2020. The CBOs and tribes will provide culturally and linguistically responsive contact tracing, wraparound services and recovery supports through community based organizations and tribes. Funding will also go to facilitate community leadership opportunities, develop an IT application to collect COVID-19 testing data including data on race, ethnicity, language and disability (REALD), and engage with community partners to address social and structural determinants of health. OHA expects to use future grants from the American Rescue Plan Act passed through the CDC to maintain funding for these services and positions during the 2021-23 biennium.

- **Other Grants:** \$1,183,003 and 1 position (1.00 FTE) for a grant from the Substance Abuse and Mental Health Services Administration for implementing a suicide prevention strategy, as well as a \$155,000 for a grant from the CDC for strengthening environmental public health capacity.

### **Oregon State Hospital**

The Oregon State Hospital (OSH) provides 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. OSH's two primary campuses are budgeted at current service level to serve up to 704 individuals, with 588 beds in Salem, 100 beds in Junction City, and 16 beds at a Secure Residential Treatment Facility operated by OSH in Pendleton. OSH's role is to provide services and treatment to individuals in a way to prepare them to return to the community as soon as they are ready. Services include 24-hour on-site nursing, psychiatric and other credentialed professional staff, treatment planning, pharmacy, laboratory, food, and nutritional services, and vocational and educational services.

The vast majority of OSH is funded with General Fund. Other Funds revenue come from Medicare, Medicaid, third-party insurance, and the operation of a café and other enterprise-type activities. Reimbursements from insurance are limited; many patients are uninsured at the time of their admission to OSH, and Aid and Assist patients are less likely to be insured than other groups. In addition, federal law precludes institutions of mental disease, like OSH, from billing Medicaid for most services provided, and Medicare has a lifetime limit of 180 days per patient for inpatient psychiatric treatment. Federal Funds come from Disproportionate Share Hospital payments, which are capped at approximately \$5.0 million times Oregon's traditional FMAP rate per quarter.

The budget recommended by the Subcommittee is \$725,679,620 total funds, which includes \$658,138,400 General Fund, \$39,148,279 Other Funds expenditure limitation, \$28,392,941 Federal Funds expenditure limitation, and 2,425 positions (2,424.82 FTE). The recommended total funds budget is 5.8% higher than the 2019-21 Legislatively Approved Budget as of June 2021. The General Fund budget increased 8% over the 2019-21 legislatively approved budget. The recommended budget includes the following packages:

Package 087 – August 2020 Special Session Roll-up. This package increases total funds by \$27,626,812, and reduces 16 positions to account for a number of program changes. The package increases General Fund by \$25,013,844 to account for higher than budgeted expenditures for staffing

overtime, temporary and contract employees that are needed as a result of the increase in high-acuity patients who require additional staff to manage and increased staff call-outs. The package increases General Fund by \$8,344,215 and five positions (5.00 FTE) to recognize OHA's decision to open two cottages (the Rivers Run program) at Junction City, in July of 2019, to create the capacity in other parts of the hospital needed to manage patients unable to aid and assist in their own defense at trial and to establish a team within OSH to improve the care of Aid and Assist patients. The package reduces total funds by \$5,731,247 and 21 positions (21.00 FTE) to recognize reductions to OSH's utilization management department, hospital systems analysis and management program, LEAN and risk management program, facility operations, and legal services, as well as the elimination of the REACH patient incentive program and one program executive team.

Package 095 – December 2020 Rebalance. This package adds \$1,782,893 General Fund to recognize the transfer of the budget for electronic health records backups from the State Assessment and Enterprise-wide Cost budget to OSH's budget for a net-zero adjustment agency-wide.

Package 416 – Position Conversions. This package establishes 22 permanent, full-time positions (22.00 FTE) to transition staff who are currently contracted to full-time OSH staff; this package is funded by a like reduction in contracted dollars resulting in a net zero change to expenditures.

Package 801 – LFO Analyst Adjustments. This package reduces General Fund by \$6,607,551 to recognize savings from closing the Rivers Run program at the OSH. The 16-bed Rivers Run Residential Treatment Facility opened in July 2019 to provide capacity to treat Aid and Assist patients. The hospital used the additional 16 beds to transition civilly committed patients into a lower level of care, freeing up bed space for Aid and Assist patients on the Salem campus for patients who needed a hospital level of care. Due to an ongoing decline in the population of patients who are civilly committed at the state hospital there are no longer enough patients to keep the program open. In April 2021, the Oregon State Hospital discharged its last four patients from Rivers Run into the community and closed the facility, leading to the savings in the 2021-23 budget. The 5-member team established to improve care for Aid and Assist patients established in Package 087 remain part of OSH's 2021-23 budget.

Package 802 – Open two Junction City units. This package adds \$30,992,454 General Fund and 110 positions (110.00 FTE) to open the 48 remaining hospital level of care beds at the Oregon State Hospital – Junction City campus which were unbudgeted at current service level. The opening of these additional units will enable the Salem campus to make more bed space available to admit additional Aid and Assist patients, which the state is required to serve within seven days of a court determining them unable to aid and assist in their own defense at trial. The COVID-19 pandemic has slowed admissions to OSH due to the need to quarantine patients on admission, and has limited options for discharge due to closures of community-based services. As of June of 2021 OSH is at 94.6% capacity and has a total of 64 patients waiting for admission in a community setting. The funding for opening the units was approved with the understanding DAS will unschedule funding for one of the units until the hospital has hired the needed staff and is ready to open the first one.

In addition to establishing the 2021-23 for OHA, House Bill 5024 creates a \$20 million Special Purpose Appropriation to the Emergency Board, to be allocated to the Oregon Health Authority for maintaining appropriate staffing levels at the Oregon State Hospital pending work with staff and other stakeholders to establish a sustainable plan per the budget note approved by the Subcommittee:

**Budget Note**

The Oregon Health Authority (OHA) shall consult with relevant stakeholders to resolve staffing shortfalls at the Oregon State Hospital. The relevant stakeholders OHA shall consult with include, but are not limited to, managerial and direct care staff employed by the Oregon State Hospital; community mental health programs; and hospital and other health care providers. No later than November 1, 2021, OHA shall submit a financially and programmatically sustainable plan to the Emergency Board or Interim Joint Committee on Ways and Means that provides solutions for maintaining appropriate daily staffing levels to ensure the safety of both patients and staff.

**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 provides leadership and business support for the agency’s mission, including the director’s office, external relations, agency operations, the fiscal division, and the Office of Equity and Inclusion. The Shared Services program crosses both OHA and the Oregon Department of Human Services, supporting the business functions of both departments under a joint governance agreement. OHA Shared Services contains the Office of Information Services and the Information Security and Privacy Office. SAEC is the budget structure for payments to Department of Administrative Services (DAS) and third parties for goods and services that serve the whole agency, such as rent, state data center charges, DAS risk assessment, DAS government services charges, unemployment assessments, mass transit taxes, computer replacement, and debt service. SAEC is funded based on cost allocation models which determine the distribution of expenditures for OHA and DHS Shared Services and the revenue distribution by fund type.

The Subcommittee’s recommended budget for these administrative functions is \$608,317,983 total funds, which includes \$299,039,510 General Fund, \$519,457 Lottery Funds, \$239,281,881 Other Funds expenditure limitation, \$69,477,135 Federal Funds expenditure limitation, and 757 positions (754.72 FTE). The budget represents a total funds decrease of 27% (largely the result of one-time expenses related to debt refinancing) and General Fund increase of 15.8 % compared to the 2019-21 legislatively approved budget, as of June 2021. The recommended budget includes the following packages:

Package 087 – August 2020 Special Session Roll-up. This package increases total funds expenditures by \$1,500,454 and 10 positions (10.00 FTE) to recognize the disbanding of shared human resources and the transfer of human resources staff from the Department of Human Services to the Oregon Health Authority, as well as the transfer of a position from Central Services to the Health Systems Division, as approved by the legislature in the August 2020 special session. The package also recognizes a transfer of a position from Public Health and from the Department of Human Services – Child Welfare division to OHA Shared Services, as approved in the August 2020 special session. The package adjusts for the transfer of positions in SAEC shared funding.

Package 095 – December 2020 Rebalance. This package reduces total funds expenditures by \$823,360, to account for the centralization of postage and handling charges with the State Assessment and Enterprise-wide costs budget and through the transfer of electronic health record backup charges to the Oregon State Hospital budget to reflect OSH as the sole user of this service.

Package 099 – Microsoft 365 Consolidation. This package reduces General Fund by \$2,007,874, Other Funds expenditure limitation by \$504,835, and Federal Funds expenditure limitation by \$513,457, to account for the consolidation of Microsoft 365 within the Office of the State Information Officer at the E5 level of service. This cost is built into the State Government Service Charge for every agency as a cost increase for the 2021-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the 2019-21 biennium for Microsoft 365 at the E3 level of service.

Package 206 – Integrated Eligibility. This package adds \$11,654,231 total funds and 39 positions (39.00 FTE) to support ongoing work to maintain and enhance the Integrated Eligibility system after the system has gone live. This request is in addition to 25 permanent positions in OHA shared services that the legislature established in the 2019 legislative session to support the implementation of the system.

Package 207 – Provider Time Capture. This package adds \$901,075 total funds and three positions (3.00 FTE) for OHA's Office of Information Services to provide maintenance and support for the Provider Time Capture system that ODHS is planning to operationalize in the 2021-23 biennium.

Package 402 – Health Equity Implementation. This package adds \$5,825,829 General Fund, \$509,764 Other Funds expenditure limitation, \$946,685 Federal Funds expenditure limitation and 17 positions (15.08 FTE) to expand OHA's Office of Equity and Inclusion to help the agency meet its 10-year goal of eliminating health inequities in Oregon by 2031-33. The request also reclassifies three positions upwards, including the division manager from a Principle Executive Manager G to a Principle Executive Manager H, and reclassify the managers of the Health Equity and Diversity, Inclusion, Training and Civil Rights sections from PEM Es to PEM Fs.

Package 404 – Tribal Traditional Health Worker. This package adds \$384,855 total funds and one position (0.75 FTE) for a position to assist with the creation of a sixth Traditional Health Worker category for Indian Health Care Providers. This allows for the creation of training and certification processes for the individuals, which allows them to receive Medicaid reimbursement for tribal based practices and other culturally specific services.

Package 414 – Behavioral Health IT System. This package adds \$1,669,288 Other Funds expenditure limitation and six positions (6.00 FTE) to continue modernization work on the Compass portfolio of projects, started during the 2019-21 biennium, which will improve behavioral health data available to OHA. This includes projects to establish a behavioral health data warehouse, a longitudinal assessment tool, and replacement costs for a behavioral health reporting system.

Package 801 – LFO Analyst Adjustments. This package adds \$1,098,286 General Fund, \$25,834 Other Funds expenditure limitation, \$288,584 Federal Funds expenditure limitation, and six positions (6.00 FTE) to account for a series of adjustments in OHA’s Central Services division. This includes the creation of one permanent full-time Operations and Policy Analyst 4 for the OHA budget team to focus on revenue reporting, monitoring and cash flow forecasting. This position is needed due to the growth over time and increasing complexity of OHA’s Other Funds revenues, which play an increasingly important role in the services OHA provides. The package also includes the creation of two permanent, full-time Fiscal Analyst 3 positions in OHA’s budget team, one to focus on budgeting and financial reporting related to the new behavioral health resource networks created by Ballot Measure 110 (2020) and SB 755 (2021), and one to focus on budgeting and financial reporting related to legislative investments in other community-based behavioral health services. Finally, the package includes three permanent full-time positions to assist OHA clients with navigating the healthcare system and utilizing their benefits.

The Subcommittee approved the following budget note:

**Budget Note**

The Oregon Health Authority shall work with the Department of Administrative Services Chief Financial Office and Legislative Fiscal Office to establish a more detailed agency appropriation structure for its primary biennial budget bill. At a minimum, this structure shall detail the amount of funding budgeted for Medicaid, non-Medicaid behavioral health, the Public Health Division, Health Policy and Analytics Division, Oregon State Hospital, the Public Employees’ Benefit Board, Oregon Educators Benefit Board, and central administrative functions. This new budget structure shall be recommended and prepared prior to the 2023 legislative session.

**Summary of Performance Measure Action**

See attached “Legislatively Approved 2021-2023 Key Performance Measures.”

PRELIMINARY

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Health Authority and Emergency Board  
Patrick Health - 503-983-8670

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2019-21 Legislatively Approved Budget at Jan. 2021*	\$ 2,638,919,478	\$ 17,999,344	\$ 8,013,520,232	\$ 274,869,903	\$ 14,091,471,331	\$ 106,196,261	\$ 25,142,976,549	4,381	4,316.87
2021-23 Current Service Level (CSL)*	\$ 3,580,224,176	\$ 17,338,086	\$ 8,170,116,328	\$ 40,000,000	\$ 14,614,326,326	\$ 102,729,051	\$ 26,524,733,967	4,277	4,263.81
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>Oregon Health Authority</b>									
<b>SCR 030-01 Health Systems Division</b>									
Package 081: April 2020 Emergency Board	\$ 1,199,536	\$ -	\$ -	\$ -	\$ 1,847,109	\$ -	\$ 3,046,645	0	0.00
Package 087: August 2020 Special Session Rollup	\$ (39,195,814)	\$ (260,750)	\$ 22,502,189	\$ -	\$ (73,367,118)	\$ -	\$ (90,321,493)	32	31.05
Package 095: December 2020 Rebalance	\$ (105,890)	\$ -	\$ -	\$ -	\$ (159,469)	\$ -	\$ (265,359)	1	1.00
Package 206: Integrated Eligibility	\$ 165,738	\$ -	\$ -	\$ -	\$ 497,214	\$ -	\$ 662,952	0	0.00
Package 403: Indian Managed Care	\$ 1,441,980	\$ -	\$ -	\$ -	\$ 13,517,450	\$ -	\$ 14,959,430	0	0.00
Package 405: CAWEM Outpatient Dialysis Coverage	\$ 1,143,012	\$ -	\$ -	\$ -	\$ 1,757,251	\$ -	\$ 2,900,263	0	0.00
Package 407: Fee-for-Service Capacity	\$ 12,057,223	\$ -	\$ -	\$ -	\$ 20,137,313	\$ -	\$ 32,194,536	9	6.75
Package 412: Contract Capacity	\$ 237,898	\$ -	\$ 10,476	\$ -	\$ 248,382	\$ -	\$ 496,756	2	1.50
Package 414: Behavioral Health Information System	\$ 2,320,585	\$ -	\$ -	\$ -	\$ 5,407,953	\$ -	\$ 7,728,538	0	0.00
Package 419: CCO 2.0 Quality Assurance	\$ 870,172	\$ -	\$ -	\$ -	\$ 1,152,584	\$ -	\$ 2,022,756	4	4.00
Package 431: Substance Use Disorder Waiver	\$ 19,298,207	\$ -	\$ -	\$ -	\$ 110,217,871	\$ -	\$ 129,516,078	1	1.00
Package 801: LFO Analyst Adjustments									
OHP Caseload - Spring 2021 Forecast	\$ 462,678,040	\$ -	\$ -	\$ -	\$ 1,722,538,403	\$ -	\$ 2,185,216,443	0	0.00
110	\$ 70,208,000	\$ -	\$ (70,208,000)	\$ -	\$ -	\$ -	\$ -	0	0.00
Insurer Assessment Revenue	\$ (74,000,000)	\$ -	\$ 82,000,000	\$ -	\$ 24,000,000	\$ -	\$ 32,000,000	0	0.00
Rural A/B hospital assessment from 5.5% to 6.0%	\$ (16,790,000)	\$ -	\$ 23,000,000	\$ -	\$ 16,790,000	\$ -	\$ 23,000,000	0	0.00
1915i residential services caseload	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,000,000)	0	0.00
Reproductive health reimbursement	\$ 6,679,460	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,679,460	0	0.00
Neonatal reimbursement rates	\$ 750,000	\$ -	\$ -	\$ -	\$ 1,174,000	\$ -	\$ 1,924,000	0	0.00
Transfer to OHCS: rental and wraparound for permanent supportive housing	\$ (18,580,500)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (18,580,500)	0	0.00
Tobacco Tax - Adjust to May 2021 forecast for OHP	\$ (424,959,000)	\$ -	\$ 424,959,000	\$ -	\$ -	\$ -	\$ -	0	0.00
Tobacco Tax - Adjustment to May 2021 forecast for Mental Health	\$ 11,039,000	\$ -	\$ (11,039,000)	\$ -	\$ -	\$ -	\$ -	0	0.00
Tobacco Master Settlement revenue	\$ (12,846,500)	\$ -	\$ 12,846,500	\$ -	\$ -	\$ -	\$ -	0	0.00
Enhanced FMAP savings	\$ (240,000,000)	\$ -	\$ -	\$ -	\$ 240,000,000	\$ -	\$ -	0	0.00
Base FMAP Change	\$ 19,873,874	\$ -	\$ 542,949	\$ -	\$ (20,416,823)	\$ -	\$ -	0	0.00
Lottery Funds - Adjust to May 2021 forecast	\$ -	\$ 1,303,997	\$ -	\$ -	\$ -	\$ -	\$ 1,303,997	0	0.00
Federal Grant limitation (2019)	\$ -	\$ -	\$ -	\$ -	\$ 2,491,729	\$ -	\$ 2,491,729	0	0.00
Mobile Response and Stabilization - SB 1 (2019)	\$ 4,918,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,918,175	3	2.50
Interdisciplinary Assessment Teams - SB 1 (2019)	\$ 6,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,500,000	0	0.00
Interdisciplinary Assessment Teams - SB 1 (2019)	\$ 5,700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,700,000	0	0.00



DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
<b>Package 802: Behavioral Health System Investments</b>										
Regional Development and Innovation	\$ 65,000,000	\$ -	\$ 65,000,000	\$ -	\$ -	\$ -	130,000,000	0	0.00	
Transformation and System Alignment	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	1,000,000	2	2.00	
OHA Operations	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	2,500,000	12	12.00	
Certified Community Behavioral Health Clinics	\$ 24,873,949	\$ -	\$ -	\$ -	\$ 96,520,781	\$ -	121,394,730	6	5.00	
Aid and Assist - Community Services	\$ 18,652,326	\$ -	\$ -	\$ -	\$ 2,336,352	\$ -	20,988,678	0	0.00	
Aid and Assist - Evaluation Services	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	500,000	0	0.00	
Intensive Services Unit	\$ 1,818,390	\$ -	\$ 2,218	\$ -	\$ 297,787	\$ -	2,118,395	10	10.00	
Psychiatric Residential Treatment Service capacity	\$ 7,525,000	\$ -	\$ -	\$ -	\$ -	\$ -	7,525,000	0	0.00	
Young Adults in Transition	\$ 9,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	9,200,000	0	0.00	
Tribal Based Practices	\$ 500,000	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	1,500,000	0	0.00	
Drug Treatment and Recovery Services	\$ -	\$ -	\$ 302,193,109	\$ -	\$ -	\$ -	302,193,109	12	12.00	
Mental Health / Substance Abuse Block Grants	\$ -	\$ -	\$ -	\$ -	\$ 32,395,439	\$ -	32,395,439	0	0.00	
<b>SCR 030-02 Health Policy and Analytics</b>										
Package 070: Revenue Shortfall	\$ -	\$ -	\$ -	\$ -	\$ (18,276,922)	\$ -	(18,276,922)	(9)	(9.00)	
Package 095: December 2020 Rebalance	\$ (914)	\$ -	\$ -	\$ -	\$ (914)	\$ -	(1,828)	0	0.00	
Package 424: Health IT - Backfill Federal Match decrease	\$ 2,047,367	\$ -	\$ -	\$ -	\$ 2,643,726	\$ -	4,691,093	6	6.00	
<b>Package 801: LFO Analyst Adjustments</b>										
Prescription Drug Monitoring Program contract	\$ -	\$ -	\$ 70,000	\$ -	\$ -	\$ -	70,000	0	0.00	
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0	0.17	
<b>SCR 030-03 Public Employees' Benefit Board</b>										
Package 095: December 2020 Rebalance	\$ -	\$ -	\$ (5,930)	\$ -	\$ -	\$ -	(5,930)	0	0.00	
Package 426: Benefit Management System	\$ -	\$ -	\$ 4,173,293	\$ -	\$ -	\$ -	4,173,293	0	0.00	
<b>SCR 030-04 Oregon Educators Benefit Board</b>										
Package 095: December 2020 Rebalance	\$ -	\$ -	\$ (5,929)	\$ -	\$ -	\$ -	(5,929)	0	0.00	
Package 426: Benefit Management System	\$ -	\$ -	\$ 4,009,635	\$ -	\$ -	\$ -	4,009,635	0	0.00	
<b>SCR 030-05 Public Health</b>										
Package 070: Revenue Shortfalls	\$ -	\$ -	\$ (5,208,300)	\$ -	\$ -	\$ -	(5,208,300)	0	0.00	
Package 087: August 2020 Special Session Roll-up	\$ 1,257,426	\$ -	\$ (724,935)	\$ -	\$ 59,876,356	\$ -	60,408,847	15	15.00	
Package 095: December 2020 Rebalance	\$ (386,617)	\$ -	\$ 30,466	\$ -	\$ 2,055,580	\$ -	1,699,429	2	2.00	
Package 417: Public Health Modernization	\$ 45,000,000	\$ -	\$ (465,178)	\$ -	\$ (752,016)	\$ -	43,782,806	24	24.00	
Package 418: Universally Offered Home Visiting	\$ 4,607,350	\$ -	\$ -	\$ -	\$ 3,196,819	\$ -	7,804,169	4	3.50	
Package 448: Radiation Protection Fees	\$ -	\$ -	\$ 1,408,249	\$ -	\$ -	\$ -	1,408,249	3	2.25	
Package 451: Home Health Agency Fees	\$ -	\$ -	\$ 51,265	\$ -	\$ -	\$ -	51,265	0	0.00	
Package 453: Prescription Drug Monitoring Program License Fees	\$ -	\$ -	\$ 657,936	\$ -	\$ -	\$ -	657,936	0	0.00	

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
<b>Package 801: LFO Analyst Adjustments</b>										
Support nurse staffing law	\$ 1,383,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,383,589	6	3.75	
Ballot Measure 109 Implementation (psilocybin)	\$ 2,217,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,217,107	14	5.52	
Drinking Water Testing for Wildfire-affected areas	\$ 375,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 375,000	0	0.00	
Newborn testing for spinal muscular atrophy	\$ 440,770	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 440,770	1	1.00	
CDC Health Equity Grant	\$ -	\$ -	\$ -	\$ -	\$ 33,925,082	\$ -	\$ 33,925,082	17	17.00	
Senior / WIC Nutrition	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000	1	1.00	
Tobacco Tax - May 2021 Forecast update	\$ -	\$ -	\$ 49,594,000	\$ -	\$ -	\$ -	\$ 49,594,000	0	0.00	
Position increases	\$ 92,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,303	4	4.00	
Federal grant adjustments	\$ -	\$ -	\$ -	\$ -	\$ 1,338,003	\$ -	\$ 1,338,003	1	1.00	
<b>SCR 030-06 Oregon State Hospital</b>										
Package 087: August 2020 Special Session Roll-up	\$ 28,229,021	\$ -	\$ (141,401)	\$ -	\$ (460,808)	\$ -	\$ 27,626,812	(16)	(16.00)	
Package 095: December 2020 Rebalance	\$ 1,782,893	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,782,893	0	0.00	
Package 416: Position Conversions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	22	22.00	
<b>Package 801: LFO Analyst Adjustments</b>										
City	\$ (6,607,551)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,607,551)	0	0.00	
Package 802: Open two Junction City units	\$ 30,992,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,992,454	110	110.00	
<b>SCR 010-040, 010-045, 010-050 Central Svcs, Shared Svcs, SAEC</b>										
Package 087: August 2020 Special Session Roll-up	\$ 306,605	\$ 260,750	\$ 324,184	\$ -	\$ 608,915	\$ -	\$ 1,500,454	10	10.00	
Package 095: December 2020 Rebalance	\$ (1,297,139)	\$ -	\$ 41,355	\$ -	\$ 432,424	\$ -	\$ (823,360)	0	0.00	
Package 099: Microsoft 365 Consolidation	\$ (2,007,874)	\$ -	\$ (504,835)	\$ -	\$ (513,457)	\$ -	\$ (3,026,166)	0	0.00	
Package 206: Integrated Eligibility	\$ 352,609	\$ -	\$ 11,072,142	\$ -	\$ 229,480	\$ -	\$ 11,654,231	39	39.00	
Package 207: Provider Time Capture	\$ 58,615	\$ -	\$ 824,214	\$ -	\$ 18,246	\$ -	\$ 901,075	3	3.00	
Package 402: Health Equity Implementation	\$ 5,825,829	\$ -	\$ 509,764	\$ -	\$ 946,685	\$ -	\$ 7,282,278	17	15.08	
Package 404: Tribal Traditional Health Worker	\$ 308,499	\$ -	\$ 26,224	\$ -	\$ 50,132	\$ -	\$ 384,855	1	0.75	
Package 414: Behavioral Health IT System	\$ -	\$ -	\$ 1,669,288	\$ -	\$ -	\$ -	\$ 1,669,288	6	6.00	
<b>Package 801: LFO Analyst Adjustments</b>										
Behavioral Health Finance / Budget Positions	\$ 285,187	\$ -	\$ 4,305	\$ -	\$ 248,604	\$ -	\$ 538,096	2	2.00	
Medicaid Revenue Position	\$ 246,042	\$ -	\$ 21,529	\$ -	\$ 39,980	\$ -	\$ 307,551	1	1.00	
Health Care Navigators	\$ 567,057	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 567,057	3	3.00	
<b>Emergency Board</b>										
<b>Package 801: LFO Analyst Adjustments</b>										
Oregon State Hospital Staffing SPA	\$ 20,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000,000	0	0.00	
<b>Package 802: Behavioral Health System Investments</b>										
Transformation and Alignment SPA	\$ 49,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,000,000	0	0.00	
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 117,448,489</b>	<b>\$ 1,303,997</b>	<b>\$ 919,240,782</b>	<b>\$ -</b>	<b>\$ 2,285,990,123</b>	<b>\$ -</b>	<b>\$ 3,323,983,391</b>	<b>381</b>	<b>361.82</b>	
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 3,697,672,665</b>	<b>\$ 18,642,083</b>	<b>\$ 9,089,357,110</b>	<b>\$ 40,000,000</b>	<b>\$ 16,900,316,449</b>	<b>\$ 102,729,051</b>	<b>\$ 29,848,717,358</b>	<b>4,658</b>	<b>4,625.63</b>	
<b>% Change from 2019-21 Leg Approved Budget</b>	<b>40.1%</b>	<b>3.6%</b>	<b>13.4%</b>	<b>(85.4%)</b>	<b>19.9%</b>	<b>(3.3%)</b>	<b>18.7%</b>	<b>6.3%</b>	<b>7.2%</b>	
<b>% Change from 2021-23 Current Service Level</b>	<b>3.3%</b>	<b>7.5%</b>	<b>11.3%</b>	<b>0.0%</b>	<b>15.6%</b>	<b>0.0%</b>	<b>12.5%</b>	<b>8.9%</b>	<b>8.5%</b>	

\*Excludes Capital Construction Expenditures

# Legislatively Approved 2021 - 2023 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 2022	Target 2023
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	37.80%	40.20%	40.20%
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	12.10%	11%	11%
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	75.10%	72%	72%
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	87.80%	90%	90%
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	64%	54%	54%
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	73.60%	65%	65%
8. 30 DAY ALCOHOL USE AMONG 6TH GRADERS - Percentage of 6th graders who have used alcohol in the past 30 days.		Approved	0%	3.50%	3.50%
9. 30 DAY ILLICIT DRUG USE AMONG 8TH GRADERS - Percentage of 8th graders who have used illicit drugs in the past 30 days.		Approved	0%	6%	6%
10. 30 DAY ALCOHOL USE AMONG 8TH GRADERS - Percentage of 8th graders who have used alcohol in the past 30 days.		Approved	0%	13%	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	0%	16.50%	16.50%
12. 30 DAY ALCOHOL USE AMONG 11TH GRADERS - Percentage of 11th graders who have used alcohol in the past 30 days.		Approved	0%	26%	26%
13. PRENATAL CARE (POPULATION) - Percentage of women who initiated prenatal care in the first 3 months of pregnancy.		Approved	81.60%	91%	91%

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Legislatively Approved KPMS	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
14. PRENATAL CARE (MEDICAID) - Percentage of women who initiated prenatal care within 42 days of enrollment.		Approved	80.60%	91%	91%
15. PATIENT CENTERED PRIMARY CARE HOME (PCPCH) ENROLLMENT - Number of members enrolled in patient-centered primary care homes by tier.		Approved	79%	68%	68%
16. PQI 01: Diabetes Short-Term Complication Admission Rate		Approved	212.90	138	138
17. PQI 05: COPD or Asthma in Older Adults Admission Rate		Approved	439.30	404	404
18. PQI 08: Congestive Heart Failure Admission Rate		Approved	395.90	230	230
19. PQI 15: Asthma in Younger Adults Admission Rate		Approved	42.40	47.50	47.50
20. ACCESS TO CARE - Percentage of members who responded "always" or "usually" too getting care quickly.	a) Adults	Approved	81.70%	88%	88%
	b) Children		89.10%	88%	88%
21. MEMBER EXPERIENCE OF CARE - Composite measurement: how well doctors communicate; health plan information and customer service (Medicaid population).	a) Adult	Approved	88.80%	90%	90%
	b) Children		89.40%	90%	90%
22. MEMBER HEALTH STATUS - Percentage of CAHPS survey respondents with a positive self-reported rating of overall health (excellent, very good, or good).	a) Adult	Approved	66.10%	68.90%	68.90%
	b) Children		95.20%	68.90%	68.90%
23. RATE OF TOBACCO USE (POPULATION) - Rate of tobacco use among adults.		Approved	19.65%	15%	15%
24. RATE OF TOBACCO USE (MEDICAID) - Percentage of CCO enrollees who currently smoke cigarettes or use tobacco every day or some days.		Approved	29.80%	25%	25%
25. RATE OF OBESITY (POPULATION) - Percentage of adults who are obese among Oregonians.		Approved	29.50%	27%	27%
26. EFFECTIVE CONTRACEPTIVE USE (POPULATION) - Percentage of reproductive age women who are at risk of unintended pregnancy using an effective method of contraception.		Approved	68.10%	70%	70%
27. EFFECTIVE CONTRACEPTIVE USE (MEDICAID) - Percentage of reproductive age women who are at risk of unintended pregnancy using an effective method of contraception.		Approved	52.30%	58.20%	58.20%
28. FLU SHOTS (POPULATION) - Percentage of adults ages 50-64 who receive a flu vaccine.		Approved	53.10%	70%	70%
29. CHILD IMMUNIZATION RATES (POPULATION) - Percentage of children who are adequately immunized (immunization series 4:3:1:3:3:1:4).		Approved	71.20%	80%	80%
30. CHILD IMMUNIZATION RATES (MEDICAID) - Percentage of children who are adequately immunized (immunization series 4:3:1:3:3:1:4).		Approved	75.50%	82%	82%
31. 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	10.50%	10.50%	10.50%
32. ELIGIBILITY PROCESSING TIME - Median number of days processing time from date of request to eligibility determination.		Approved	2	31	31
33. OHP MEMBERS IN CCOs - Percent of Oregon Health Plan members enrolled in Coordinated Care Organizations.		Approved	88%	88%	88%

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
34. 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	86%	95%	95%
	Accuracy		86%	95%	95%
	Availability of Information		82%	95%	95%
	Expertise		86%	95%	95%
	Helpfulness		86%	95%	95%
	Timeliness		86%	95%	95%
7. 30 DAY ILLICIT DRUG USE AMONG 6TH GRADERS - Percentage of 6th graders who have used illicit drugs in the past 30 days.		Legislatively Deleted	1.80%	1.30%	

**LFO Recommendation:**

Approve Key Performance Measures and targets for 2022 and 2023 as proposed.

Direct the Oregon Health Authority to conduct a review of existing measures, data, and targets and report back to the Legislature by 2022 with proposed changes. The proposed changes shall include the addition of new measures and targets addressing health equity.

**SubCommittee Action:**

Approve the Legislative Fiscal Office recommendation.

PRELIMINARY