

**HB 4098 A BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

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

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**Oregon Health Authority  
2021-23**

PRELIMINARY

**Budget Summary\***

|                     | 2021-23                       | 2022                     | Committee Change from |          |
|---------------------|-------------------------------|--------------------------|-----------------------|----------|
|                     | Legislatively Approved Budget | Committee Recommendation | 2021-23 Leg. Approved |          |
|                     |                               |                          | \$ Change             | % Change |
| Other Funds Limited | \$ -                          | \$ 625,733               | \$ 625,733            | 100.0%   |
| Total               | \$ -                          | \$ 625,733               | \$ 625,733            | 100.0%   |

**Position Summary**

|                                      |      |      |      |
|--------------------------------------|------|------|------|
| Authorized Positions                 | 0    | 5    | 5    |
| Full-time Equivalent (FTE) positions | 0.00 | 1.76 | 1.76 |

\* Excludes Capital Construction expenditures

**Summary of Revenue Changes**

Other Funds revenues to support the work of House Bill 4098 come from Oregon’s share of the settlement of a class action lawsuit against several opioid distributors, including McKesson, AmerisourceBergen, Cardinal Health, and Johnson & Johnson. The Oregon Health Authority (OHA) anticipates the state as a whole will receive a total \$333 million from these settlements, with 45% of the estimated total going to the state and 55% to go to Oregon cities and counties with populations over 10,000. As a result, the state anticipates receiving \$149.7 million through 2038. The state’s share of revenues from the settlement are directed by the bill to the newly established Opioid Settlement Prevention, Treatment, and Recovery Fund. Administrative expenses out of the fund are limited to 5% of revenues. Additional settlement funds may be received due to currently unresolved litigation.

**Summary of Human Services Subcommittee Action**

HB 4098 establishes the Opioid Settlement Prevention, Treatment, and Recovery Fund for the deposit of revenue from certain opioid settlements. Determinations for how the revenue is allocated will be directed by the newly created Opioid Settlement Prevention, Treatment and Recovery Board. Allocations made by the Board must be for statewide and regional programs identified in the settlement agreements or applicable judgments, including for evidence-based programs to treat opioid use disorder and other behavioral health issues. The bill allows up to 5% of the Fund to be spent on administration and requires the Fund to support a system to collect and publish data about treatment and recovery services available statewide. The measure also expands the number of agencies defined as a “participating state agency” that enter into agreements to support the work of the Alcohol and Drug Policy Commission. These agencies are required to meet quarterly with the commission and provide progress reports on implementing the commission’s treatment and recovery plan for the state.

HB 4098 increases Other Funds expenditure limitation by \$625,733 and establishes five positions (1.76 FTE) in 2021-23 to support the administration of the new board and perform related work. The following five positions and their duties are established in OHA:

- One permanent part-time Principal Executive Manager D (0.50 FTE in 2021-23, 0.50 FTE in 2023-25) to provide program oversight,
- One permanent full-time Operations and Policy Analyst 4 (0.50 FTE) to work in tribal consultation, contract negotiation, and board nomination and orientation during Board ramp-up in 2022, and to staff the board and coordinate opioid prevention programming on an ongoing basis,
- One permanent full-time Operations and Policy Analyst 1 (0.50 FTE) to provide administrative support,
- One permanent part-time Operations and Policy Analyst 4 (0.13 FTE in 2021-23, 0.50 FTE in 2023-25) to coordinate with stakeholders, make recommendations to the board, and work on rulemaking and grant processes, and
- One permanent full-time Research Analyst 3 (0.13 FTE) to coordinate work on the state system for data on substance use prevention, treatment, and recovery services, analyze and publish data about services, and provide reports to the board.

In addition to position-related Services and Supplies, OHA anticipates costs of \$140,000 Other Funds in the 2021-23 biennium for legal costs, an external evaluation contract, IT support for meetings and website creation, and contracting for a meeting facilitator.

In addition to the positions above, OHA will need the following positions in the 2023-25 biennium:

- One Information Systems Specialist 7 (0.50 FTE) to work on the state system for data on substance use prevention, treatment, and recovery services.
- One part-time Fiscal Analyst 2 (0.50 FTE) to coordinate process invoices for contracts charged to the Fund and to oversee use of the funds.

Given the uncertainty about ongoing funding levels, positions will need to be reevaluated following the 2023-25 biennium and be based on funding available to the Opioid Settlement Prevention, Treatment, and Recovery Fund in future biennia.

The fiscal impact related to statewide and regional programs to address opioid abuse and other mental health issues will be determined once the board is formed and makes allocation decisions. OHA will need additional Other Funds expenditure limitation for expenditure of settlement funds once the Board begins making allocation decisions.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

Oregon Health Authority  
 Patrick Heath – 503-983-8670

| DESCRIPTION                               | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS |            | FEDERAL FUNDS |            | TOTAL ALL FUNDS | POS    | FTE    |
|---|--------------|---------------|-------------|------------|---------------|------------|-----------------|--------|--------|
|   |              |               | LIMITED     | NONLIMITED | LIMITED       | NONLIMITED |                 |        |        |
| <u>SUBCOMMITTEE ADJUSTMENTS</u>           |              |               |             |            |               |            |                 |        |        |
| <b>SCR 030-01 Health Systems Division</b> |              |               |             |            |               |            |                 |        |        |
| Personal Services                         | \$ -         | \$ -          | \$ 54,217   | \$ -       | \$ -          | \$ -       | \$ 54,217       | 2      | 0.26   |
| Services and Supplies                     | \$ -         | \$ -          | \$ 30,534   | \$ -       | \$ -          | \$ -       | \$ 30,534       |        |        |
| <b>SCR 030-05 Public Health</b>           |              |               |             |            |               |            |                 |        |        |
| Personal Services                         | \$ -         | \$ -          | \$ 322,282  | \$ -       | \$ -          | \$ -       | \$ 322,282      | 3      | 1.50   |
| Services and Supplies                     | \$ -         | \$ -          | \$ 218,700  | \$ -       | \$ -          | \$ -       | \$ 218,700      |        |        |
| SUBCOMMITTEE RECOMMENDATION *             | \$ -         | \$ -          | \$ 625,733  | \$ -       | \$ -          | \$ -       | \$ 625,733      | 5      | 1.76   |
| % Change from 2021-23 Leg Approved Budget | 0.0%         | 0.0%          | 100.0%      | 0.0%       | 0.0%          | 0.0%       | 100.0%          | 100.0% | 100.0% |

\*Excludes Capital Construction Expenditures

PRELIMINARY