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To: Human Services Subcommittee
From: Matt Stayner, Legislative Fiscal Office
Date: June 10, 2025
Subject: HB 5025 – Oregon Health Authority
Work Session Recommendations

Oregon Health Authority <i>Agency Totals</i>				
FUND TYPE	2021-23 ACTUAL	2023-25 LEGISLATIVELY APPROVED	2025-27 CURRENT SERVICE LEVEL	2025-27 LFO RECOMMENDED
General Fund	3,229,382,026	5,631,218,070	8,098,770,085	6,196,787,826
Lottery Funds	18,685,848	29,624,256	42,528,319	41,765,296
Other Funds	10,001,913,037	10,355,539,826	8,988,052,916	12,001,129,804
Other Funds NL	25,661,390	40,000,000	40,000,000	40,000,000
Federal Funds	17,532,852,359	19,765,182,045	19,804,278,713	23,332,845,229
Federal Funds NL	75,407,236	102,729,051	118,138,409	118,138,409
TOTAL FUNDS	30,883,901,896	35,924,293,248	37,091,768,442	41,730,666,564
Positions	5,331	5,750	5,689	5,959
FTE	5,090.86	5,604.33	5,671.54	5,932.97

Current Service Level.

OHA's current service level budget for the 2025-27 biennium is \$8 billion General Fund, \$37.1 billion total funds and 5,689 positions (5,671.54 FTE), which represents a 3.2% increase from the 2023-25 legislatively approved budget. The most notable budgetary change from the 2023-25 biennium is the reduction of \$1.7 billion in Other Funds expenditures due to the anticipated expiration of hospital and insurer provider taxes. This change shifted the portion of those revenues used to support the Oregon Health Plan, \$1.1 billion, to General Fund. After applying inflationary factors, adding roll-up costs of new programs, and adjusting for caseload and

revenue forecasts, the total change in General Fund at the current service level is an increase of \$2.5 billion, or 43.8%, from the prior biennium.

Summary of OHA Current Service Level Adjustments				
AREA OF CHANGE	GENERAL FUND	TOTAL FUNDS	POSITIONS	FTE
Base and position-related adjustments	148,267,474	241,971,702	(58)	74.94
Net phase-in / phase-out	-358,648,626	-1,992,446,138	(3)	(7.73)
Inflation adjustments	296,718,822	2,070,711,758	-	-
Caseload Costs	663,510,551	862,459,728	-	-
Fund shifts	1,722,403,795	0	-	-
TOTAL CSL ADJUSTMENTS	\$2,472,252,016	\$1,182,697,050	(61)	67.21

Position-related adjustments are included to account for changes not captured in the position budgeting system. For OHA these include an increase of \$8 million General Fund, \$11.1 million total funds for changes to costs due to use of temporary employees, overtime pay, shift differential payments, and position-related equipment. Pension bond obligation adjustments reduce General Fund by \$1.4 million, \$2.3 million total funds. The application of standard vacancy savings factors to the adjusted personal services budget result in an increase of \$20.3 million General Fund, \$20.9 million total funds. Part of this increase is due to the elimination of non-standard vacancy savings that was applied in the 2023-25 biennium.

Expenditure authority at the current service level is increased by \$43.2 million General Fund, \$1.6 billion total funds, to phase-in non-personal services program costs for authorized programs established in the prior biennium and continuing into the 2025-27 biennium.

Reductions of \$401.8 million General Fund, \$3.6 billion total funds, are included in the budget at the 2025-27 current service level to phase-out expenditures that were authorized in the 2023-25 biennium. These include the removal of one-time funded programs or program enhancements, General Fund monies used to capitalize statutory funds that will be expended as Other Funds in subsequent biennia, one-time capital expenditures, removal of excess expenditure authority for federal programs, changes to Other Funds revenue projections, and the removal of expenditure authority for personal services-related services and supplies expenditures for positions not continuing into the 2025-27 biennium.

Standard inflationary adjustments are included in the current service level for most services and supplies, capital outlay, and certain special payment expenditure categories. Additional inflation adjustments are included for medical cost increases, increased costs of non-state employee personal services contracts, and certain usage-based goods and services. The adjustments, totaling \$296.7 million General Fund, \$2.07 billion total funds, are applied by fund type regardless of the availability of the underlying revenues of each fund type. This is resolved through fund shift packages also included in the current service level as noted below.

The current service level includes an increase of \$663.5 million General Fund, \$862.5 million total funds, for changes to mandated and statutory caseloads for Medicaid programs and the Healthier Oregon programs administered by OHA as of the Fall 2024 caseload forecast.

Fund shifts included in the current service level budget for OHA move \$1.7 billion of budgeted expenditure to the General Fund from Other Funds and Federal Funds. Much of this change is resultant from the sunset of hospital and provider taxes that support the Oregon Health Plan. Additionally, anticipated changes to the Federal Medical Assistance Percentage move a net of \$219.4 million in budgeted expenditures from Federal Funds to General Fund and \$231.7 million for inflation-related costs for budgeted expenditures that would have otherwise been paid for using Other Funds or Federal Funds revenues are backfilled with General Fund due to limitations on the availability of those revenues.

Adjustments to Current Service Level

REVENUE CHANGES

The most significant revenue adjustment from the current service level is due to the passage of HB 2010 that extended provider assessments on insurers and hospitals. Combined with a change in methodology for calculating the assessment on certain hospital revenues, provider assessment revenues of \$2.26 billion in excess of the current service level are anticipated. Of this total, \$1.53 billion will be used to support the Oregon Health Plan, supplanting General Fund.

A portion of the increased intergovernmental transfers from Oregon Health and Sciences University of \$416 million are anticipated to be used to support the Oregon Health Plan, supplanting \$132.4 million General Fund.

Forecasted tobacco tax revenue reductions of \$30.7 million are partially offset by increased General Fund of \$23.7 million in the Behavioral Health and Medicaid programs. Other Funds expenditure limitation adjustment is made for anticipated 9-8-8 assessment revenues, reducing General Fund by \$25 million. The budget also accounts for forecasted reductions in marijuana and beer, wine, and cider taxes.

CASELOAD COST UPDATES

The recommended budget includes a net reduction of \$447.4 million General Fund from the current service level for the Healthier Oregon Program. Caseload increases of \$39.1 million General Fund are offset by \$283.8 million in rate reductions, \$122.6 million reduction in General Fund costs due to revised FMAP applicability, and \$80 million in anticipated risk corridor payments.

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

PROGRAMMATIC SAVINGS

In addition to Healthier Oregon caseload cost savings, the recommended budget makes a \$42.9 million General Fund reduction to account for anticipated savings resultant from a shift of roughly 5% of the Healthier Oregon caseload to OHP Bridge, the basic health plan.

Unspecified reductions in Services and Supplies expenditures totaling \$31.8 million General Fund were extended into the 2025-27 biennium from the current biennium.

Additional savings include:

- Shift of planned expenditures for Designated State Health Program funded support of 1115 waiver activities from the 25-27 biennium to the 27-29 biennium, resulting in a savings of \$25.3 million General Fund.
- One-time reduction of Quality Incentive Pool payments to coordinated care organizations for the 2025 plan year resulting in a savings of \$18.6 million General Fund.
- One-time \$16 million General Fund reduction of inflation adjustments in the Medicaid Fee for Service (FFS) program.
- Elimination of \$15 million General Fund erroneously included in the current service level from a 2023 investment for behavioral health facilities that was intended to be one-time.

SIGNIFICANT BUDGETARY ENHANCEMENTS

Behavioral Health

\$42.6 million General Fund is reestablished in the budget from appropriations made in the 23-25 biennium for substance use disorder facilities and Regional Development and Innovation Funding. These moneys had been obligated in the prior biennium and are expected to be expended in the 25-27 biennium. \$25 million in General Obligation bond proceeds are also carried-forward to the 25-27 biennium for Community Acute Psychiatric Facility projects. In addition to these capital projects, \$10 million General Fund is added for youth residential facility capacity.

A \$10 million General Fund appropriation is made for a grant to support the Oregon Harm Reduction Clearinghouse.

Increased support to Local Mental Health Programs includes a \$10 million increase for Aid and Assist services, \$13.2 million for Deflection and Diversion programs, \$7 million for Community Behavioral Health and SUD Treatment, \$7 million for School and Community Based SUD prevention, \$5.2 million for permanent supportive housing, and \$2.4 million for Behavioral Health Community Navigators and associated services.

Oregon State Hospital

\$56 million General Fund and the authorization to establish 218 new positions is included in the budget to continue addressing Centers for Medicare and Medicaid Services corrective action plans and to address compliance with timelines to provide court-ordered restoration services. This action is in addition to, and in conjunction with, funding for behavioral health facilities and increased funding for Community Mental Health Programs.

Although not included in the total recommended budget for the Oregon Health Authority as presented in the tables above and on the attached “work session report”, the bill makes a special-purpose appropriation to the Emergency Board of \$5 million to address unforeseen budgetary issues at the State Hospital.

Women’s Health Care

Two specific investments addressing access to women’s reproductive health care are included in the budget. A \$10 million General Fund appropriation is made to support providers in response to any reductions in federal funding for health care services. A follow-on grant to Seeding Justice of \$2.5 million is included for patient navigation services and for providers to upgrade facilities in response to a potential influx of out of state patients seeking care in Oregon.

Health Care System

\$49.3 million General Fund is added to hospital provider assessments in current service level of \$2.9 million and \$19.1 million due to the passage of HB 2010 for a total of \$71.3 million in state funds to maximize projected available federal matching revenues of \$77 million for the Disproportionate Share Hospital Program. These combine to provide \$148.3 million to help offset hospital losses for serving Medicaid patients.

\$30 million General Fund matched with \$70 million Federal Funds is included in the budget for OHA to provide a mid-year 2025 Coordinated Care Organization rate adjustment as a result of recent cost pressures particularly due to higher utilization of behavioral health services.

A \$25 million General Fund appropriation and \$64.3 million in Federal Funds, for a total of \$89.3 million is provided to support enhanced hospital maternity rates to ensure statewide access to hospital maternity services.

\$10.9 million General Fund is added for state support of OHP Bridge – Basic Medicaid providing an Open Card option for American Indian and Alaska Native members.

Increased General Fund support of \$4 million is matched with \$5 million in Federal Funds to support graduate medical education in Oregon.

Other Funds expenditure limitation of \$25 million is provided to move into the implementation phase of the state-based health insurance marketplace.

Funding and staffing for both the Alcohol and Drug Policy Commission and the System of Care Advisory Council are expanded in the recommended budget.

Policy Package Detail

Medicaid

POP 90 – CFO Analyst Adjustments

For the Medicaid program, the package contains six individual elements:

- Graduate Medical Education Program (non-OHSU).
The package includes increased funding of \$4 million General Fund and an increase of \$5 million Federal Funds expenditure limitation for the program. This is a Medicaid program to reimburse hospitals for the cost of educating medical residents at hospital systems with more than 200 residents or interns. Reimbursements are made quarterly based on hospital-specific costs for medical education as reported to CMS. The funding is anticipated to expand participation by approximately 12% in 2025-27. Current funding supports 816 residents and interns at 8 teaching hospitals.
- Enhanced Hospital Maternity Rates.
One-time appropriation of \$25 million General Fund matched with \$64.3 million in Federal Funds, for a total of \$89.3 million is provided to support enhanced hospital maternity payment rates to ensure statewide access to hospital maternity services.
- Maximization of the Disproportionate Share Hospital (DSP-3) Program.
One-time appropriation of \$49.3 million General Fund is added to hospital provider assessments in current service level of \$2.9 million and \$19.1 million due to the passage of HB 2010 for a total of \$71.3 million in state funds to maximize projected available federal matching revenues of \$77 million for the Disproportionate Share Hospital Program. These combine to provide \$148.3 million to help offset hospital losses for serving Medicaid patients.
- Staff to Administer Expanded DRG Assessment.
\$221,160 General Fund and \$221,160 Federal Funds, one position (1.00 FTE). The package funds a policy analyst position in the Medicaid program to Coordinate OHA's implementation of separate inpatient and outpatient assessment rates, ensure assessment levels are being managed correctly, and ensure the program's design and implementation of new rates is updated in rule quarterly and communicate with providers paying the assessment about changes to those rates, in addition to other duties.
- Reduction of inflation for Fee for Service (Open Card) Medicaid Program.
As included in the Governor's budget, funding for assumed annual inflation in the Fee for Service Medicaid program is reduced from 3.4% to 2.9% or \$16 million General Fund and \$34.8 million Federal Funds to adjust the program budget towards anticipated expenditures.
- Reduction in Quality Incentive Pool for Calendar Year 2025 from 4.25% to 3.48%.

As included in the Governor's budget, a One-time reduction of Quality Incentive Pool payments to coordinated care organizations for the 2025 plan year is made resulting in a savings of \$18.6 million General Fund and a reduction of \$43.4 million Federal Funds. Total program funding is estimated to be between \$560 and \$600 million.

POP 095 – Fall 2024 Budget Reshoot

The fall budget reshoot for OHA produced nine adjustments that were included in the Governor's budget proposal for the Medicaid program that are included in the recommended budget:

- **Aligning Lottery Fund expenditures with 25-27 spend plan.**
The package transfers \$835,165 Lottery Funds expenditure authority from the Behavioral Health Program to the Medicaid Program to support planned expenditures for of Gambling Addition programs in the Medicaid division.
- **Oregon Health and Science University Graduate Medical Education.**
Increased expenditure limitation of \$40.1 million Other Funds and \$55.5 million Federal Funds is included in the package to support payments to OHSU for leveraged federal funding hospitals for the cost of educating medical residents. This is like the state program, but the local portion is funded by payments to OHA from OHSU.
- **School Based Health Services CMS Grant Position.**
The package provides a one-time increase of \$246,415 Federal Fund and authorizes the establishment of a limited-duration position (1.00 FTE). The package carries-forward a limited-duration position that was approved in the Fall 2024 budget rebalance to support activities under a Federal Centers for Medicare and Medicaid Services (CMS) grant in the amount of \$2.5 million to implement, enhance, or expand the provision of health services through school-based entities under Medicaid and the Children's Health Insurance Program. Funding supports a new, limited-duration position to assist with the existing program staffing to improve state and local infrastructure supporting school-based health services.
- **Information Systems project budget rebalance COMPASS/MOTS.**
A reduction of \$1.2 million General Fund and an increase of \$3.7 million Federal Funds expenditure limitation is provided to revised to reflect adjustments for an increased Federal Fund match and the streamlined project portfolio. The COMPASS portfolio includes the Resilience Outcomes Analysis and Data Submission (ROADS) system that replaced the Measures and Outcomes Tracking System (MOTS), the Certification and Licensing Information Collection System (CLICS), and the Improving Medicaid Data Program which includes what had formerly referred to as the Behavioral Health Data Warehouse.
- **Position Technical adjustment.**
A technical adjustment is included in the package to correct an error in the current service level that occurred when the Health Services program was split between the Medicaid and Behavioral Health divisions. The package moves \$407,463 General Fund,

\$132,888 Federal Funds and two positions (2.00 FTE) from the Medicaid program to the Behavioral Health program.

- OHSU Inter-Governmental Transfer (IGT) QDP Adjustment.

The package adjusts expenditure limitation by \$416 million Other Funds and \$554.3 million Federal Funds. A portion of the increased intergovernmental transfers from Oregon Health and Sciences University of \$416 million are anticipated to be used to support the Oregon Health Plan, reducing General Fund by \$132.4 million.

- Deferral of General Fund obligated spending for Designated State Health Program (DSHP) supported waiver activities.

As proposed in the Governor's budget, the package realigns spend plans for 1115 waiver activities supported through the DSHP, moving a portion of those expenditures from the 2025-27 biennium to the 2027-29 biennium. For the Medicaid program, this reduces General Fund expenditures by \$25.3 million and reduces expenditure limitation by \$32.3 million Other Funds and \$212.2 million Federal Funds.

- Position Transfer from Medicaid to HP&A.

The package transfers position authority and funding between the Medicaid and Health Policy and Analytics program for a Research Analyst position associated with the Certified Community Behavioral Health Clinic program. This action extends into the 2025-27 biennium the movement of the position in the Fall 2024 budget rebalance for the 2023-25 biennium. In the Medicaid program, General Fund is reduced by \$135,576, Federal Funds limitation is reduced by \$135,576, and one position (1.00 FTE) is eliminated.

- Basic Health Plan Budget Realignment.

A reduction in Federal Funds limitation of \$475 million is included in the package to remove unnecessary expenditure limitation provided for the Basic Health Plan in the current service level.

POP 417 - Healthier Oregon Program - Caseload shift to Basic Health Plan

This package reduces General Fund by \$42.9 million and increases Federal Funds expenditure limitation in the same amount as a result of moving certain individuals previously enrolled in the Healthier Oregon Plan (HOP) to the Basic Health Plan based on income and eligible citizenship or immigration status. The \$42.9 million GF savings represents about 4% of the HOP caseload.

POP 418 - Child Behavioral Health, Home and Community Based Services

This package provides \$395,977 General Fund, increases expenditure limitation by \$523,731 Other Funds and authorizes the establishment of 3 positions (2.25 FTE) to address the implementation of the 1915(k) waiver (the K plan) for Home and Community-Based Services (HCBS) for children and youth with behavioral health needs. Provides resources and addresses CMS compliance by implementing key steps: selecting assessment tools, including a Level of Care (LOC) evaluation tool specifically for the Psych Under 21 eligibility criteria, developing case management systems, establishing provider networks, and refining eligibility processes.

POP 421 - HB 2010 Provider assessment extension – Hospitals

This package recognizes the budgetary impact of extending the provider assessments on Hospitals as contained in HB 2010 (2025). The package decreases General Fund by \$1.4 billion, and increases expenditure limitation by \$2.1 billion Other Funds, and \$1.7 Billion Federal Funds.

POP 422 - HB 2010 Provider assessment extension – Insurers

This package recognizes the budgetary impact of extending the provider assessments on Insurers as contained in HB 2010 (2025). The package decreases General Fund by \$144.7 million, and increases expenditure limitation by \$193.3 million Other Funds, and \$98.4 million Federal Funds.

POP 556 - Certified Community Behavioral Health Clinic expansion

The package includes \$14.1 million General Fund, Increases Federal Funds expenditure limitation by \$33.7 million, and establishes two positions (1.50 FTE) for the statewide expansion of the Certified Community Behavioral Health Clinic system. The current funding supports 12 clinics as a part of a federal demonstration waiver. The expanded funding allows for the integration of an additional 15 clinics. The statewide expansion is integral to federal approval for a state plan amendment as required by HB 4002 (2024) to secure ongoing program funding.

POP 801 – LFO Analyst Adjustments

Two substantive adjustments are included in the Medicaid program in the package.

- General Fund is reduced by \$6.9 million to continue unspecified Services and Supplies expenditure reductions that were part of the 2023-25 biennium budget into the 2025-27 biennium.
- A one-time, \$30 million General Fund appropriation matched with \$70 million Federal Funds expenditure limitation is included in the budget to provide a mid-year 2025 Coordinated Care Organization rate adjustment to address recent cost pressures, particularly due to higher utilization of behavioral health services.

POP 808 – Revenue Adjustments

General Fund is increased by \$53.3 million, and expenditure limitation is reduced by \$18.8 million Other Funds and \$34.5 million Federal Funds to account for reduced tobacco tax revenue as of the May 2025 revenue forecast and a decrease in the assumed Federal Medicaid Assistance Percentage in the 2025-27 biennium.

POP 809 Spring 2025 Budget Reshoot

Several individual adjustments are included in the package:

- Adult mental health residential rate increase.
General Fund is increased by \$9.6 million and addition expenditure limitation of \$14.4 million Federal Funds for the costs associated with an update to adult mental health residential rates.
- Basic Health Plan – Bridge Medicaid.
\$10.9 million General Fund and Federal Funds expenditure limitation of \$3.6 million is added for state support of OHP Bridge – Basic Medicaid. This program provides an open

card option for American Indian and Alaska Native members that is similar to the standard OHP Bridge plan but is authorized under a section 1115 waiver and is funded like traditional Medicaid.

- Tribal Set Aside for Clinical Training.
The package reestablishes \$3 million General Fund that was reduced from the agency's 2023-25 budget as a part of the Spring 2025 rebalance. The agency has determined that \$3 million of the \$15 million General Fund appropriation provided in HB 3396 (2023) for clinical trainings should be dedicated to tribal operations. This effort to advance tribal clinical training offerings has required an entirely separate process to establish this program which has caused delays extending the need to carry over the funds into the 2025-27 biennium.
- Mobile Health Unit Transfer from Behavioral Health Program to Medicaid Program.
HB 4052 (2022) established a pilot program within Oregon Health Authority (OHA) to operate two culturally and linguistically specific mobile health units to serve populations with histories of poor health or social outcomes. This one-time funding of \$1.6 million General Fund for the extension of funding for 18 months in the 2025-27 biennium to complete the pilot program is transferred from the Behavioral Health division to the Medicaid division. This action nets to zero across both programs.
- Additional technical adjustments moving expenditure authority and position authority between programs and make additional adjustments to Other Fund revenues are included in the package and increase General Fund by \$492,388, decrease expenditure limitation by \$3.3 million Other Funds, increase expenditure limitation by \$1.8 million Federal Funds, and increase position authority by 2 positions (2.00 FTE) in the Medicaid division.

POP 845 - Statutory Caseload Costs - Healthier Oregon Program

The package includes a net reduction of \$447.4 million General Fund from the current service level for the Healthier Oregon Program. Caseload increases of \$39.1 million General Fund are offset by \$283.8 million in rate reductions, \$122.6 million reduction in General Fund costs due to revised FMAP applicability, and \$80 million in anticipated risk corridor payments.

POP 850 - Mandated Caseload Costs – Medicaid

General Fund is increased by \$831,177 and Federal Funds expenditure limitation is increased by \$1.5 billion to account for costs associated with changes to caseloads for the Medicaid program as of the Spring 2025 caseload forecast.

Behavioral Health

POP 90 – CFO Analyst Adjustments

For the Behavioral Health program, the package contains four individual elements:

- Behavioral Health Community Navigators.
The package includes an increase of \$2.4 million General Fund and the establishment of a position (1.00 FTE) to help people on Aid and Assist orders at the Oregon State Hospital navigate their transition back to the community. \$2 million of the funding is for grants to Community Mental Health Programs, expanding the pilot program that

established in 2023 statewide. The position in the Behavioral Health Program position will act as the grant administrator and program implementation specialist, provide technical assistance, review data, and make program adjustments.

- Statewide Civil Commitment Coordinators.
\$1.5 million General Fund, \$3.3 million total funds, and the authorization to establish 7 positions (7.00 FTE) is included in the package to continue a team within the Behavioral Health division to coordinate services statewide for people going through the civil commitment process. These positions were established in the 2023-25 biennium as limited duration. This package makes the positions permanent.
- CMHP Service Element 4 - Deflection / Diversion Funding.
\$13.2 million General Fund is included in the package to continue deflection and diversion program funding that had been provided on a one-time basis in the prior biennium. \$9.8 million of the total is for distribution to Community Mental Health Programs to support the coordination and provision of services for deflection programs that assist individuals who may have substance use or other behavioral health disorders to access treatment, recovery support, housing, case management, or other services to prevent interactions with law enforcement, lead to conviction and incarceration, or any other engagement with the criminal justice system. The balance of the funding is for support of CMHPs for adult intensive services and diversion programs.
- Community BH and SUD Treatment Programming.
\$7 million General Fund is included in the package to expand the intensive in-home behavioral health substance use disorder model to youth with substance use disorders and recruit providers to work under the new model.

POP 95 – Fall 2024 Budget Reshoot

The fall budget reshoot for OHA produced multiple adjustments that were included in the Governor's budget proposal for the Behavioral Health program that are included in the recommended budget:

- Aligning Lottery Funds expenditures with 2025-27 spend plan.
The package transfers \$835,165 Lottery Funds expenditure authority from the Behavioral Health Program to the Medicaid Program to support planned expenditures for of Gambling Addiction programs in the Medicaid division.
- Assisted Outpatient Treatment Program for Individuals with Serious Mental Illness.
\$909,750 carry-forward of federal grant expenditure limitation approved in the Fall 2024 budget rebalance for a Substance Abuse and Mental Health Services Administration grant to provide financial support to community mental health programs to implement outpatient civil commitment services.
- Behavioral Health Housing Incentive Funds - Interest Earnings.
\$3 million Other Funds expenditure limitation for the accrued interest earnings on the remaining, unexpended balance of \$19.3 million from \$20 million in net lottery bond proceeds deposited in the Behavioral Health Housing Incentive Fund established by HB 2316 (2021).
- Community Acute Psychiatric Facility Capacity carry forward.

The package increases Other Funds expenditure limitation by \$25 million for grants to increase community acute psychiatric facility capacity. The Community Acute Psychiatric Facility Capacity Program is funded with net lottery bond proceeds. This action is to allow the program to expend the remaining bond proceeds in the upcoming biennium from bonds authorized in the prior biennium that are to be issued early this year.

- Drug Treatment and Recovery Services Fund Admin Positions.

The package authorizes the establishment of three positions (3.00 FTE) for the administration of the DTRSF. The package has a net-zero budgetary impact as the position costs are offset by matching reductions to Service and Supplies expenditures in the program.

- State Opioid Response (SOR) Grant Position.

\$246,415 Federal Funds expenditure limitation and the authorization for a limited duration position (1.00 FTE) is included in the package to carry-forward a position that was approved in the Fall 2024 budget rebalance to support activities under the Federal Substance Abuse and Mental Health Services Administration (SAMHSA), State Opioid Response Grants.

- Deferral of General Fund obligated spending for Designated State Health Programs to 2027-29.

As proposed in the Governor's budget, the package realigns spend plans for 1115 waiver activities supported through the DSHP, moving a portion of those expenditures from the 2025-27 biennium to the 2027-29 biennium. For the Behavioral Health program, this reduces Federal Funds expenditure limitation by \$10.2 million.

- Additional technical adjustments moving expenditure authority and position authority between programs are included in the package and increase General Fund by \$615,955, increase expenditure limitation by \$18,244 Other Funds, \$166,767 Federal Funds, and increase position authority by one position (1.00 FTE) in the Behavioral Health division.

POP 551 - Harm Reduction Clearinghouse grant.

The package includes a one-time \$10 million General Fund appropriation increase for a grant to Save Lives Oregon to support the harm reduction supply clearinghouse. This program enables the low-cost acquisition of essential harm reduction supplies by community-based organizations and expands access to medications like naloxone, supporting safer substance use practices that prevent overdose, infections, and injuries.

POP 552 - Behavioral Health Residential Capacity - Youth

The package includes a one-time \$10 million General Fund appropriation increase to expand behavioral health residential treatment and support services. The funding is intended to increase the capacity of residential programs by adding new psychiatric residential treatment facilities and substance use disorder (SUD) treatment beds, focusing on mandated populations as well as regional and cultural diversity. Use of the requested funding includes purchasing, constructing, or renovating facilities, stabilizing current providers, and supporting culturally and linguistically diverse services.

POP 557 - Alcohol and Drug Policy Commission (ADPC) support

The package includes increased expenditure authority of \$750,181 General Fund, \$92,682 Federal Funds, and authorizes the conversion of three limited duration positions (2.25 FTE) that were authorized in the prior biennium to conduct a study of barriers and best practices for youth accessing opioid use disorder treatment and increasing access to opioid use disorder medications as directed in HB 4002 (2024) to permanent, ongoing positions. The total funding also includes an ongoing increase of \$225,000 General Fund for strategic plan contracts.

POP 559 - System of Care Advisory Council (SOCAC) expansion

An increase of \$571,098 General Fund is included in the package for the addition of three new administrative support positions (2.25 FTE) for the System of Care Advisory Council.

POP 801 – LFO Analyst Adjustments

Four adjustments are included in the Behavioral Health program in the package.

- Continuance of unspecified General Fund reductions to Services and Supplies from prior biennium.
General Fund is reduced by \$4.7 million to continue unspecified Services and Supplies expenditure reductions that were part of the 2023-25 biennium budget into the 2025-27 biennium.
- Removal of erroneous carry-forward of Behavioral Health facility funding.
The package includes the elimination of \$15 million General Fund erroneously included in the current service level from a 2023 investment for behavioral health facilities that was intended to be one-time.
- Behavioral Health Permanent Supportive Housing.
\$5.2 million General Fund is included for grants to organizations that oversee behavioral health permanent supportive housing programs. The funding is intended to address financial challenges for programs that have the potential to cause facility closures and the possibility of individuals served becoming homeless.
- Aid and Assist funding increase for Counties.
The package includes a \$10 million General Fund increase to support community restoration services, commonly referred to as “aid and assist” services. This is additive to current service level estimated funding of \$38.9 million General Fund.

POP 808 – Revenue Adjustments

This package includes multiple adjustments to Other Funds revenues and Lottery Funds revenues in the Behavioral Health program.

- Increased estimated revenues from the \$0.40 per line, per month assessment to fund the 988-crisis system of \$25 million provide a reciprocal reduction of \$25 million General Fund in the program.
- Reduced anticipated revenues in the Criminal Fines Account result in lower transfers to the Behavioral Health division. Other Fund expenditure limitation decreases for the Intoxicated Driver program of \$2.5 million are backfilled with General Fund.
- Lottery Funds expenditure limitation is reduced by \$763,023 in accord with the May 2025 revenue forecast.

- Lower Tobacco Tax revenues reduce Other Funds expenditure limitation by \$2.1 million and increase General Fund in a corresponding amount.
- A \$10.3 million Other Fund expenditure limitation decrease is included to align anticipated expenditures from the Drug Treatment and Recovery Services Fund due to reduced forecasted Marijuana Tax revenues.

POP 809 Spring 2025 Budget Reshoot

Portions of two General Fund appropriations totaling \$42.6 million are moved from the 2023-25 biennium to the 2025-27 biennium. The Spring 2025 budget rebalance for the 2023-25 biennium reduced General Fund expenditures in the prior biennium, and this package reestablishes the one-time General Fund appropriations by the same amounts in the 2025-27 biennium.

- Regional Development and Innovation General Fund Reappropriation. \$29.1 million from a \$65 million General Fund appropriation originally made in HB 5024 (2021) for capital, start-up, and operational costs related to increasing statewide capacity of licensed residential facilities and housing serving people with behavioral health conditions. Of the original \$65 million GF, \$34 million was re-appropriated into the 2023-25 Legislatively Adopted Budget and has been obligated; however, \$29.1 million of the obligated amount is expected to be expended in the 2025-2027 biennium.
- Substance Use Disorder (SUD) Facilities for Children and Adults Reappropriation. \$13.5 million General Fund from an appropriation made in SB 5525 (2023) of \$15 million General Fund to increase substance use disorder facilities for children and adults with substance use disorders. The contracting for these capital projects has been delayed due to prioritizing contracts that were funded through HB 5024 (2021) because they are funded with American Rescue Plan Act funding. All General Fund monies are anticipated to be incumbered before June 30, 2025, however invoicing and expenditures will not. Invoicing will continue thru the 2025-27 biennium as vendor as contractors complete project stages.

Additional adjustments included in the package include:

- Mobile Health Unit Transfer from Behavioral Health Program to Medicaid Program. HB 4052 (2022) established a pilot program within Oregon Health Authority (OHA) to operate two culturally and linguistically specific mobile health units to serve populations with histories of poor health or social outcomes. This one-time funding of \$1.6 million General Fund for the extension of funding for 18 months in the 2025-27 biennium to complete the pilot program is transferred from the Behavioral Health division to the Medicaid division. This action nets to zero across both programs.
- Additional technical adjustments moving expenditure authority and position authority between programs and make additional adjustments to Other Fund revenues are included in the package and decrease General Fund by \$774,504, increase expenditure limitation by \$3.3 million Other Funds, decrease expenditure limitation by \$2.1 million Federal Funds, and decrease position authority by 3 positions (3.00 FTE) in the Behavioral Health division.

Health Policy and Analytics

POP 095 – Fall 2024 Budget Reshoot

Position Transfer from Medicaid to HP&A. The package transfers position authority and funding between the Medicaid and Health Policy and Analytics program for a Research Analyst position associated with the Certified Community Behavioral Health Clinic program. This action extends into the 2025-27 biennium the movement of the position in the Fall 2024 budget rebalance for the 2023-25 biennium. In the Health Policy and Analytics program, General Fund is increased by \$135,576, Federal Funds limitation is increased by \$135,576, and one position (1.00 FTE) is established.

POP 423 - PEBB/OEBB Program Integrity and Development

The package increases Other Funds expenditure limitation by \$5.3 million to allow the Boards to jointly contract for professional consulting services supporting joint workgroups, claims audits, clinical audits, and RFP development. Funding for the additional consulting services is derived from premium assessments to member entities. The current administrative fee for both PEBB and OEBB is 1.3% of premiums. The increased expenditures authorized in the package will not increase the administrative fee rate.

POP 424 - State-Based Marketplace Phase 2

The package provides a one-time Increase in expenditure limitation of \$23.6 million Other Funds and the addition of nine limited duration positions (6.75 FTE) to continue the development of a state-based eligibility and enrollment platform and call center for Oregon's health insurance exchange. In addition to the Personal Services expenditures of \$4.4 million, \$16 million is included for information technology professional services costs, and an additional \$2.4 million is for professional services contract costs, generally. Funding for the increased expenditures is from per-member, per-month (PMPM) fees charged to insurers for health insurance policies sold through the exchange. The current (2025) PMPM fees are \$5.50 for health insurance plans and \$0.36 for dental plans.

POP 801 - LFO Analyst Adjustments

General Fund is reduced by \$4.3 million in the package to continue unspecified Services and Supplies expenditure reductions for the Health Policy and Analytics division that were part of the 2023-25 biennium budget into the 2025-27 biennium.

POP 809 – Spring 2025 Budget Reshoot

The package contains a single technical adjustment that transfers a community engagement Program Analyst position (0.50 FTE) to Public Health from Health Policy and Analytics. In the Health Policy and Analytics division, expenditure limitation is decreased by \$74,561 Other Funds and \$74,561 Federal Funds. The transfers net to zero across both programs.

PEBB and OEBB Benefits

POP 845 - Statutory Caseload Costs – PEBB/OEBB

The package includes increased Other Funds expenditure limitation totaling \$240.5 million for the payment of costs of providing benefits to members. PEBB is projecting a cost increase of 6% in the 2025-27 biennium totaling \$164.6 million: \$45.5 million for self-insured plans, and \$119.1 million for fully insured plans. OEGB is anticipating a cost increase of 3.5%, or \$79.5 million.

Public Health

POP 090 – CFO Analyst Adjustments

Two specific investments addressing access to women’s reproductive health care are included in the Package:

- A one-time \$10 million General Fund appropriation is made for distribution to providers in response to reductions in federal funding for women’s health care services. The funding is intended for distribution to providers that prioritizes the highest volume providers operating across multiple counties in the state.
- A follow-on grant to Seeding Justice of \$2.5 million is included for patient navigation services and for providers to upgrade facilities in response to a potential influx of out of state patients seeking care in Oregon.

Additionally, an increase in General Fund of \$7 million is provided to address school and community-based primary prevention activities. Of the total, \$6 million is for school-based health centers to expand mental health services, SUD screenings, and prevention services to youth in school settings. The remaining \$1 million is to expand culturally responsive youth suicide prevention work.

POP 095 – Fall 2024 Budget Reshoot

The package adjusts expenditure limitation and position authority in the Public Health division for four individual actions:

- Center for Health Protection Environmental Public Health (EPH) Other Funds limitation for Inter-agency agreement with DEQ.
Other Funds expenditure limitation is increased by \$2.2 million for federal grant funds the division is anticipating receiving from the Department of Environmental Quality to support the Healthy Homes Program.
- Center for Prevention and Health Promotion Maternal and Child Health (MCH).
Federal Funds limitation is increased on a one-time basis, and the establishment of a limited duration position (1.00 FTE) for the carry-forward of budgetary authority approved in Fall 2024 rebalance for a federal grant award from the Centers for Disease Control and Prevention for actions to reduce the risk for pregnancy-related deaths in Oregon.
- Center for Prevention and Health Promotion Nutrition and Health Screening (WIC) Position Authority.
The package establishes two positions (2.00 FTE) in the Women, Infant, and Children program. This is a net-zero package that reduces existing S&S expenditures to fund the new positions.

- Center for Public Health Practice HIV STD & TB Section (HST) Position Authority. Increased Other Funds expenditure limitation of \$308,655 and the establishment of one position (1.00 FTE) is included in the package. The Ryan White HIV/AIDS Program funds AIDS drug assistance program, called CAREAssist in Oregon, generates program income as Other Funds when the program can collect insurance reimbursement or manufacturer rebates through insurance plans or medications purchased by the program on behalf of eligible clients.

POP 415 - Lower Umatilla Groundwater Management Area (LUGWMA) Response

The package includes a one-time, \$725,146 General Fund increase for contract costs for Oregon Department of Human Services field operations to collect and transport water samples for laboratory testing, paid media expenses, development and maintenance of case management data systems, and costs of contracts with local public health authorities and community-based organizations to support residents in accessing safe water services.

POP 801 - LFO Analyst Adjustments

General Fund is reduced by \$470,000 in the package to continue unspecified Services and Supplies expenditure reductions for the Public Health division that were part of the 2023-25 biennium budget into the 2025-27 biennium.

POP 808 – Revenue Adjustments

This package includes a \$6.9 million Other Funds expenditure limitation reduction due to decreased Tobacco Tax revenues. Additionally, reduced anticipated revenues in the Criminal Fines Account result in lower transfers to the Public Health division. Other Fund expenditure limitation is decreased by \$374,708 for CFA supported programs in the division.

POP 809 Spring 2025 Budget Reshoot

Three individual adjustments are included in the package:

- Limited-duration position for SB 546 (2023).
The package includes a one-time increase of \$200,674 General Fund, \$200,674 Other Funds expenditure limitation, and the authorization to establish a limited duration position (0.75 FTE) associated with work required in SB 546 regarding high priority chemicals of concern used in cosmetic products.
- Position Transfer to Public Health from HP&A.
The package includes a technical adjustment that transfers a community engagement Program Analyst position (0.50 FTE) to Public Health from Health Policy and Analytics. In the Public Health division, expenditure limitation is increased by \$74,561 Other Funds and \$74,561 Federal Funds. The transfers net to zero across both programs.
- Position Transfer from Public Health to Shared Services.
Other Funds expenditure limitation is reduced by \$407,263 and a Clinical Psychologist position (1.00 FTE) is eliminated in the Public Health division in favor of establishing an Information Systems Specialist position (1.00 FTE) in the Shared Services program at a cost of \$380,730 Other Funds.

Oregon State Hospital

POP 090 – CFO Analyst Adjustments

The package increases General Fund by \$531,308 and authorizes the establishment of two positions (2.00 FTE) to help people on Aid and Assist orders at the Oregon State Hospital navigate their transition back to the community.

POP 807 – State Hospital Operational Enhancements

This package includes nine individual investments to continue addressing Centers for Medicare and Medicaid Services corrective action plans and to address compliance with timelines to provide court-ordered restoration services. This action is in addition to, and in conjunction with, funding for behavioral health facilities and increased funding for Community Mental Health Programs.

- Carry-forward of CMS response package.
\$21.8 million General Fund and the authorization to establish 76 positions (76.00 FTE) to address identified operational deficiencies at the State Hospital that require corrective actions for the hospital remain in compliance CMS requirements. This increase in funding is a follow-on to funding provided to the State Hospital as part of the 2023-25 biennium budget second rebalance. The package includes the continuance of five nurse positions addressing medical emergencies and six incident review and data analysis positions approved in the rebalance and establishes a team for monitoring the safety of the unit milieu (35 total; Mental Health Security Technicians; 25 Salem, 10 Junction City) for 24/7 support and one management position per unit (30 total; 24 Salem, 6 Junction City) for additional supervisory coverage to support compliance with policy and procedure.
- Additional Mental Health Technicians / Nurse Posting Factor.
\$17.4 million General Fund and the authorization to establish 136 mental health technician positions is provided in the package. The total cost of the new positions is estimated to be \$26.1 million; however, the package assumes that a reduction in overtime and contracted services will offset a portion the additional expenditures for the new positions.
- Enhanced Security Contracts.
\$5.8 million General Fund is included for contracted security services at both the Salem campus and the Junction City facility in response to Centers for Medicare and Medicaid Services survey findings that required corrective action by the Oregon State Hospital to address security issues.
- AVATAR Electronic Health Records System Enhancements.
\$3.1 million General Fund is included in the package for the upgrade of the Oregon State Hospital's electronic health record (EHR) system and enhancements to the hospital's workforce staffing software. The current version of the EHR system will no longer be supported in 2025.
- Patient Vitals Monitoring.

An increase of \$3 million General Fund is provided to address CMS survey findings following the untimely discovery of patient that had died while in the State Hospital's care. This package includes various biometric sensors, software, information technology hardware, communication, and information technology services. Roughly \$1 million of the total is for one-time equipment costs. Ongoing costs for software licenses and cloud services are estimated to be \$1.5 million per year.

- **Flexible Housing Fund for Discharging Patients.**
A \$3 million General Fund appropriation increase is made to allow the State Hospital to provide housing transitional assistance to aid and assist patients when exiting the State Hospital to reduce the possibility of becoming homeless.
- **Reclassification of LPN positions to RN positions.**
An additional \$531,504 General Fund is provided to the State Hospital for the budgetary capacity to convert four Licensed Practical Nurse positions to Registered Nurse positions, aligning the budget to the required staffing need.
- **Forensic Evaluator Contracts.**
\$685,782 General Fund is included to extend four current contracts providing 20 hours per week of forensic evaluation services. These services evaluate the ability of individuals remanded to the State Hospital or community restoration to aid in their own defense. This work addresses the continued compliance with requirements that individuals found unable to aid and assist in their own defense be admitted to OSH for restoration within seven days of an order for their commitment.
- **Native Services.**
The package includes \$211,729 net General Fund to establish a permanent Native Services program by establishing six positions (2.93 FTE) providing native services spiritual and recovery practices at Oregon State Hospital on both the Salem and Junction City campuses. The package reduces Services and Supplies expenditures for professional services contracts by \$401,969 and increase Personal Services expenditures by \$613,698 producing a net GF increase of \$211,729 to convert 5 existing unbudgeted positions to permanent, full-time, and add a sixth position.

POP 809 Spring 2025 Budget Reshoot

This package authorizes the establishment of three Psychiatry Positions (3.00 FTE) to convert contracted psychiatric services positions to permanent, full-time, budgeted positions. No new funding is authorized by the package. Services and Supplies expenditures for professional service contracting is reduced in an equivalent amount to the \$1.2 million cost of the budgeted positions. This package carries-forward this change that was approved as part of the agency's 2023-25 Fall rebalance.

Central Administrative Functions

POP 090 CFO Analyst Adjustments

Two adjustments to the agency's centralized administrative programs were included in the package:

- Director's Office Positions (Central Services) - Management Support.

The package authorizes the establishment of four management positions in the Central division to assist with agency operations. This includes a second Deputy Director position for policy and programs, a manager to oversee the budgeting and outcomes work OHA is undertaking, a project manager in the Tribal Affairs program, and a project manager to coordinate contracting agency wide. The \$1.5 million cost of these positions are self-funded by the program through a reduction in budgeted Services and Supplies expenditures of \$1.2 million General Fund, \$104,313 Other Funds, and \$193,724 Federal Funds.

- Staff to Administer Expanded DRG Assessment (Central Services).
The package authorizes the establishment of a fiscal analyst position to address the additional administrative work related to the change in the application of the 6% Hospital Assessment. The total cost of the position in the Central Services program is \$208,576 that is split evenly between General Fund and Federal Funds.

POP 095 Fall 2024 Budget Reshoot

Three adjustments in the Central Services program budget that were proposed in the Fall 2024 budget reshoot are included in the package:

- REALD and SOGI project savings.
General Fund is reduced by \$1.2 million in the package resulting from the CMS approval to apply enhanced Federal Medicaid Assistance Participation (FMAP) rate of 90% to approved data collection projects.
- SB 1578 Health Care Interpreter savings.
This technical adjustment reduces funding in the Central Services division by \$194,376 General Fund and \$179,424 Federal Funds to account for actions taken in the Fall 2024 budget rebalance for the 2023-25 biennium that transferred one-time funding provided in the bill to the Medicaid division. The portion of the funding that was included in SB 1578 (2023) that was intended to be one-time funding was captured in the current service level for the Central Services. This action reduces the budget to correct the error.
- Transfer 988 Communications Position from Central Services to Behavioral Health.
A technical adjustment is included in the package that transfers a communications position from the External Relations program with Central Services to the Behavioral Health division. A reduction of \$208,492 General Fund (\$260,615 Total Funds) and the reduction of one position (1.00 FTE) is included in for the Central Services division and reciprocal adjustments are included in the Behavioral Health program, netting to zero across both divisions.

POP 201 - Mainframe Modernization

The package provides increased budget authority to continue work that was begun in the 2023-25 biennium to migrate certain benefit eligibility programs and provider payment processing from older mainframe computer systems to more modern platforms, including cloud-based platforms. Funding includes an increase of \$734,146 General Fund (\$1.1 million Total Funds) in the State Assessments and Enterprise Costs program, and an increase of \$5.8 million Other Funds in the Shared Services, Office of Information Services program.

POP 424 - State-Based Marketplace Phase 2

The package provides a one-time Increase in expenditure limitation of \$1.4 million Other Funds in the Shared Services, Office of Information Services program, and \$30,234 Other Funds in the State Assessments and Enterprise Costs program to support the continued development of a state-based eligibility and enrollment platform and call center for Oregon’s health insurance exchange. Funding for the increased expenditures is from per-member, per-month (PMPM) fees charged to insurers for health insurance policies sold through the exchange. The current (2025) PMPM fees are \$5.50 for health insurance plans and \$0.36 for dental plans.

POP 801 - LFO Analyst Adjustments

The package reduces General Fund by \$8.8 million in the Central Services program and \$6.7 million in the State Assessments and Enterprise Costs program to continue unspecified Services and Supplies expenditure reductions for the programs that were part of the 2023-25 biennium budget into the 2025-27 biennium.

POP 809 Spring 2025 Budget Reshoot

The package includes an increase in expenditure limitation of \$9.4 million Other Funds in the Shared Services program to account for increased licensing costs for Microsoft 365 applications resulting from increased staffing. A technical adjustment eliminates an unnecessary \$6 million Other Funds expenditure limitation in the State Assessments and Enterprise Costs program. The remaining increases of \$282,116 General Fund and \$282,116 Federal Funds in the Central Services program, and the increase in expenditure limitation of \$380,730 Other Funds in the Shared Services program are resultant from technical position and budgetary authority moves that add one position (1.00 FTE) in both programs, but net to zero agency wide.

See attached “Work Session Presentation Report.” For additional details.

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Accept LFO Recommendation

MOTION: I move the LFO recommendation to HB 5025. *(vote)*

OR

Modify LFO Recommendation

MOTION: I move the LFO recommendation to HB 5025, with modifications. *(vote)*

Performance Measures

See attached “Legislatively Proposed 2025-27 Key Performance Measures.”

Accept LFO Recommendation

MOTION: I move the LFO recommendation on Key Performance Measures. *(vote)*

OR

Modify LFO Recommendation

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. *(vote)*

Amendment

LFO recommends a budget of \$6,196,787,826 General Fund, \$41,765,296 Lottery Funds, \$12,001,129,804 Other Funds, \$23,332,845,229 Federal Funds, and 5,959 positions (5,932.97 FTE), which is reflected in the –2 amendment.

MOTION: I move adoption of the –2 amendment to HB 5035. *(vote)*

Final Subcommittee Action

LFO recommends that HB 5035, as amended by the –2 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 5035, as amended, to the Full Committee with a do pass recommendation. *(vote)*

Carriers

Full Committee:

House Floor:

Senate Floor:

OREGON HEALTH AUTHORITY: AGENCY TOTALS
HB 5025 WORK SESSION

	GENERAL	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE
2023-25 Legislatively Approved Budget (As of Dec 2024)	5,631,218,070	29,624,256	10,355,539,826	19,765,182,045	40,000,000	102,729,051	35,924,293,248	5,750	5,604.33
2025-27 Current Service Level	8,098,770,085	42,528,319	8,988,052,916	19,804,278,713	40,000,000	118,138,409	37,091,768,442	5,689	5,671.54
2025-27 Governor's Budget	6,225,920,768	42,788,778	11,631,812,721	21,581,593,126	40,000,000	118,138,409	39,640,253,802	6,020	5,982.23
2025-27 LFO RECOMMENDED BUDGET	6,196,787,826	41,765,296	12,001,129,804	23,332,845,229	40,000,000	118,138,409	41,730,666,564	5,959	5,932.97
Medicaid	3,785,711,528	7,038,668	5,411,501,971	22,372,719,148	-	-	31,576,971,315	468	460.21
Behavioral Health	647,963,491	17,379,614	599,724,301	300,008,798	-	-	1,565,076,204	243	238.29
Health Policy and Analytics	85,081,744	28,211	134,184,623	57,584,877	-	-	276,879,455	292	285.83
PEBB and OEGB Benefits	-	-	5,152,001,141	-	-	-	5,152,001,141	-	-
Public Health	280,069,549	-	350,656,937	457,232,818	40,000,000	118,138,409	1,246,097,713	1,005	1,000.96
Oregon State Hospital	980,899,302	-	16,767,424	32,441,418	-	-	1,030,108,144	2,995	2,991.93
Centralized Administrative Services	417,062,212	17,318,803	336,293,407	112,858,170	-	-	883,532,592	956	955.75
TOTAL 2025-27 RECOMMENDED BUDGET	6,196,787,826	41,765,296	12,001,129,804	23,332,845,229	40,000,000	118,138,409	41,730,666,564	5,959	5,932.97
\$ Change from 2023-25 Approved	565,569,756	12,141,040	1,645,589,978	3,567,663,184	-	15,409,358	5,806,373,316	209	328.64
% Change from 2023-25 Approved	10.04%	40.98%	15.89%	18.05%	0.00%	15.00%	16.16%	3.63%	5.86%
\$ Change from 2025-27 CSL	(1,901,982,259)	(763,023)	3,013,076,888	3,528,566,516	-	-	4,638,898,122	270	261.43
% Change from 2025-27 CSL	-23.48%	-1.79%	33.52%	17.82%	0.00%	0.00%	12.51%	4.75%	4.61%
\$ Change from 2025-27 Governor's Budget	(29,132,942)	(1,023,482)	369,317,083	1,751,252,103	-	-	2,090,412,762	(61)	(49.26)
% Change from 2025-27 Governor's Budget	-0.47%	-2.39%	3.18%	8.11%	0.00%	0.00%	5.27%	-1.01%	-0.82%

OREGON HEALTH AUTHORITY: MEDICAID
HB 5025 WORK SESSION

	GENERAL	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments
2023-25 Legislatively Approved Budget (As of Dec 2024)	-	-	-	-	-	-	-	-	-	
2025-27 Current Service Level	5,804,951,116	6,203,503	2,754,243,107	18,836,769,035	-	-	27,402,166,761	462	455.46	
2025-27 Governor's Budget	3,722,928,739	3,519,334	5,283,962,566	20,618,566,327	-	-	29,628,976,966	488	475.46	
2025-27 LFO RECOMMENDED BUDGET	3,785,711,528	7,038,668	5,411,501,971	22,372,719,148	-	-	31,576,971,315	468	460.21	

1	2025-27 LFO RECOMMENDED BUDGET DETAIL									
2										
3	2025-27 Current Service Level	5,804,951,116	6,203,503	2,754,243,107	18,836,769,035	-	-	27,402,166,761	462	455.46
4										
5	Pkg. 090 - CFO Analyst Adjustments									
6	Graduate Medical Education Program	4,000,000	-	-	5,000,000	-	-	9,000,000	-	-
7	Enhanced Hospital Maternity Rates	25,000,000	-	-	64,300,000	-	-	89,300,000	-	-
8	Maximize DSH3 Program	49,300,000	-	-	53,244,000	-	-	102,544,000	-	-
9	Staff to Administer Expanded DRG Assessment	221,160	-	-	221,160	-	-	442,320	1	1.00
10	Reduction of inflation for FFS Medicaid	(16,000,000)	-	-	(34,793,651)	-	-	(50,793,651)	-	-
11	Reduction in Quality Incentive Pool for CY 2025 from 4.25% to 3.48%	(18,600,000)	-	-	(43,400,000)	-	-	(62,000,000)	-	-
12	Pkg. 095 - Fall 2024 Reshoot									
13	Aligning LF expenditures with 25-27 spend plan		835,165	-	-	-	-	835,165	-	-
14	OHSU Graduate Medical Education	-	-	40,115,130	55,520,877	-	-	95,636,007	-	-
15	School Based Health Services CMS Grant Position	-	-	-	246,415	-	-	246,415	1	1.00
16	Information Systems project budget rebalance COMPASS/MOTS	(1,171,876)	-	-	3,735,331	-	-	2,563,455	-	-
17	CSL Position/Program Technical adjustment - Lift and Place	(407,463)	-	-	(132,888)	-	-	(540,351)	(2)	(2.00)
18	OHSU Inter-Governmental Transfer (IGT) QDP Adjustment	(132,400,000)	-	416,000,000	554,300,000	-	-	837,900,000	-	-
19	Deferral of GF obligated spending for DSHP to 27-29	(25,316,253)	-	(32,306,225)	(212,221,753)	-	-	(269,844,231)	-	-
20	HB 4002 Position Transfer from Medicaid to HP&A	(135,576)	-	-	(135,576)	-	-	(271,152)	(1)	(1.00)
21	Basic Health Plan Budget Realignment	-	-	-	(474,971,248)	-	-	(474,971,248)	-	-
22	Pkg. 417 - Healthier Oregon Program - Caseload shift to Basic Health Plan	(42,863,403)	-	-	42,863,403	-	-	-	-	-
23	Pkg. 418 - Child Behavioral Health, Home and Community Based Services	395,977	-	-	523,731	-	-	919,708	3	2.25
24	Pkg. 421 - HB 2010 Provider assessment extension - Hospitals	(1,386,200,000)	-	2,062,300,000	1,719,900,000	-	-	2,396,000,000	-	-
25	Pkg. 422 - HB 2010 Provider assessment extension - Insurers	(144,670,905)	-	193,276,618	98,420,905	-	-	147,026,618	-	-
26	Pkg. 556 - Certified Community Behavioral Health Clinic expansion	14,096,822	-	-	33,708,295	-	-	47,805,117	2	1.50
27	Pkg. 801 - LFO Analyst Adjustments									
28	Continuance of unspecified GF reductions to Services and Supplies from prior biennium	(6,900,000)	-	-	-	-	-	(6,900,000)	-	-
29	2025 CCO Rate Adjustment - Mid Year Trend Change	30,000,000	-	-	70,000,000	-	-	100,000,000	-	-
30	Pkg. 808 - Revenue Adjustments	53,349,008		(18,826,904)	(34,522,104)	-	-	-		
31	Pkg. 809 - Spring 2025 Reshoot									
32	Adult Mental Health Residential Rates	9,600,000	-	-	14,400,000	-	-	24,000,000	-	-
33	Basic Health Plan - Bridge Medicaid	10,914,507	-	-	3,636,792	-	-	14,551,299	-	-
34	Tribal Set Aside for Clinical Training (HB 3396 - 2023) Reappropriation	3,000,000	-	-	-	-	-	3,000,000	-	-
35	Technical Adjustments	2,111,758		(3,299,755)	1,820,713			632,716	2	2.00

OREGON HEALTH AUTHORITY: MEDICAID
HB 5025 WORK SESSION

	GENERAL	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments
36	Pkg. 845 - Statutory Caseload Costs - Healthier Oregon Program	(447,394,521)	-	-	95,538,033	-	-	(351,856,488)	-	-
37	Pkg. 850 - Mandated Caseload Costs - Medicaid	831,177	-	-	1,518,747,678	-	-	1,519,578,855	-	-
38										
39										
40	Total adjustments LFO Rec from CSL	(2,019,239,588)	835,165	2,657,258,864	3,535,950,113	-	-	4,174,804,554	6	4.75
41										
42	TOTAL 2025-27 LFO Recommended Budget	3,785,711,528	7,038,668	5,411,501,971	22,372,719,148	-	-	31,576,971,315	468	460.21
43										
44	\$ Change from 2023-25 Approved	3,785,711,528	7,038,668	5,411,501,971	22,372,719,148	-	-	31,576,971,315	468	460.21
45	% Change from 2023-25 Approved									
46	\$ Change from 2025-27 CSL	(2,019,239,588)	835,165	2,657,258,864	3,535,950,113	-	-	4,174,804,554	6	4.75
47	% Change from 2025-27 CSL	-34.78%	13.46%	96.48%	18.77%			15.24%	1.30%	1.04%
48	\$ Change from 2025-27 Governor's Budget	62,782,789	3,519,334	127,539,405	1,754,152,821	-	-	1,947,994,349	(20)	(15.25)
49	% Change from 2025-27 Governor's Budget	1.69%	100.00%	2.41%	8.51%			6.57%	-4.10%	-3.21%

OREGON HEALTH AUTHORITY: BEHAVIORAL HEALTH
HB 5025 WORK SESSION

	GENERAL	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments
2023-25 Legislatively Approved Budget (As of Dec 2024)	-	-	-	-	-	-	-	-	-	
2025-27 Current Service Level	586,595,192	18,977,802	519,228,691	309,115,519	-	-	1,433,917,204	225	221.79	
2025-27 Governor's Budget	732,434,368	21,922,430	581,774,720	304,478,920	-	-	1,640,610,438	249	245.79	
2025-27 LFO RECOMMENDED BUDGET	647,963,491	17,379,614	599,724,301	300,008,798	-	-	1,565,076,204	243	238.29	

1	2025-27 LFO RECOMMENDED BUDGET DETAIL									
2										
3	2025-27 Current Service Level	586,595,192	18,977,802	519,228,691	309,115,519	-	-	1,433,917,204	225	221.79
4										
5	Pkg. 090 - CFO Analyst Adjustments									
6	Behavioral Health Community Navigators	2,364,794	-	-	-	-	-	2,364,794	1	1.00
7	Statewide Civil Commitment Coordinators	1,509,224	-	12,702	1,799,219	-	-	3,321,145	7	7.00
8	CMHP Service Element 4 - Deflection / Diversion Funding	13,227,315	-	-	-	-	-	13,227,315	-	-
9	Community BH and SUD Treatment Programming	7,000,000	-	-	-	-	-	7,000,000	-	-
10	Pkg. 095 - Fall 2024 Reshoot									
11	Aligning LF expenditures with 25-27 spend plan	-	(835,165)	-	-			(835,165)	-	-
12	Assisted Outpatient Treatment Program for Individuals with Serious Mental Illness	-	-	-	909,750	-	-	909,750	-	-
13	Behavioral Health Housing Incentive Funds - Interest Earnings	-	-	2,988,506	-	-	-	2,988,506	-	-
14	Community Acute Psychiatric Facility Capacity carry forward	-	-	25,000,000	-	-	-	25,000,000	-	-
15	DTRSf Admin Positions - Conversion from S&S to PS	-	-	-	-	-	-	-	3	3.00
16	State Opioid Response (SOR) Grant Position	-	-	-	246,415	-	-	246,415	1	1.00
17	CSL Position/Program Technical adjustment - Lift and Place	407,463	-	-	132,888	-	-	540,351	2	2.00
18	Transfer 988 Communications Position from CSD to BH Admin	208,492	-	18,244	33,879	-	-	260,615	1	1.00
19	Deferral of GF obligated spending for DSHP to 27-29	-	-	-	(10,218,725)	-	-	(10,218,725)	-	-
20	Pkg. 551 - Harm Reduction Clearinghouse grant	10,000,000	-	-	-	-	-	10,000,000	-	-
21	Pkg. 552 - Behavioral Health Residential Capacity - Youth	10,000,000	-	-	-	-	-	10,000,000	-	-
22	Pkg. 557 - Alcohol and Drug Policy Commission (ADPC) support	750,181	-	-	92,682	-	-	842,863	3	2.25
23	Pkg. 559 - System of Care Advisory Council (SOCAC) expansion	571,098	-	-	-	-	-	571,098	3	2.25
24	Pkg. 801 - LFO Analyst Adjustments									
25	Continuance of unspecified GF reductions to Services and Supplies from prior biennium	(4,700,000)	-	-	-	-	-	(4,700,000)	-	-
26	Removal of erroneous carry-forward of BH facility funding	(15,000,000)	-	-	-	-	-	(15,000,000)	-	-
27	Behavioral Health Permanent Supportive Housing	5,200,000	-	-	-	-	-	5,200,000	-	-
28	Aid and Assist county funding increase	10,000,000	-	-	-	-	-	10,000,000	-	-
29	Pkg. 808 - Revenue Adjustments	(20,420,033)	(763,023)	49,176,403	-	-	-	27,993,347		
30	Pkg. 809 - Spring 2025 Reshoot									
31	Substance Use Disorder (SUD) Facilities for Children and Adults Reappropriation	13,500,000	-	-	-	-	-	13,500,000	-	-
32	Regional Development and Innovation General Fund Reappropriation	29,143,639	-	-	-	-	-	29,143,639	-	-
33	Technical Adjustments	(2,393,874)	-	3,299,755	(2,102,829)	-	-	(1,196,948)	(3)	(3.00)

OREGON HEALTH AUTHORITY: BEHAVIORAL HEALTH
HB 5025 WORK SESSION

	GENERAL	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments
34										
35	Total adjustments LFO Rec from CSL	61,368,299	(1,598,188)	80,495,610	(9,106,721)	-	-	131,159,000	18	16.50
36										
37	TOTAL 2025-27 LFO Recommended Budget	647,963,491	17,379,614	599,724,301	300,008,798	-	-	1,565,076,204	243	238.29
38										
39	\$ Change from 2023-25 Approved	647,963,491	17,379,614	599,724,301	300,008,798	-	-	1,565,076,204	243	238.29
40	% Change from 2023-25 Approved									
41	\$ Change from 2025-27 CSL	61,368,299	(1,598,188)	80,495,610	(9,106,721)	-	-	131,159,000	18	16.50
42	% Change from 2025-27 CSL	10.46%	-8.42%	15.50%	-2.95%			9.15%	8.00%	7.44%
43	\$ Change from 2025-27 Governor's Budget	(84,470,877)	(4,542,816)	17,949,581	(4,470,122)	-	-	(75,534,234)	(6)	(7.50)
44	% Change from 2025-27 Governor's Budget	-11.53%	-20.72%	3.09%	-1.47%			-4.60%	-2.41%	-3.05%

OREGON HEALTH AUTHORITY: HEALTH POLICY AND ANALYTICS
HB 5025 WORK SESSION

	GENERAL	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments
2023-25 Legislatively Approved Budget (As of Dec 2024)	110,935,894	27,074	105,768,281	49,651,820	-	-	266,383,069	311	286.79	
2025-27 Current Service Level	89,196,168	28,211	105,393,982	57,523,862	-	-	252,142,223	283	278.58	
2025-27 Governor's Budget	91,347,132	28,211	139,751,845	57,636,319	-	-	288,763,507	298	289.95	
2025-27 LFO RECOMMENDED BUDGET	85,081,744	28,211	134,184,623	57,584,877	-	-	276,879,455	292	285.83	
1 2025-27 LFO RECOMMENDED BUDGET DETAIL										
2										
3 2025-27 Current Service Level	89,196,168	28,211	105,393,982	57,523,862	-	-	252,142,223	283	278.58	
4										
5 Pkg. 095 - Fall 2024 Reshoot										
6 HB 4002 Position Transfer from Medicaid to HPA	135,576	-	-	135,576	-	-	271,152	1	1.00	
7 Pkg. 423 - PEBB/OEBB Program Integrity and Development	-	-	5,275,071	-	-	-	5,275,071	-	-	
8 Pkg. 424 - State-Based Marketplace Phase 2	-	-	23,590,131	-	-	-	23,590,131	9	6.75	
9 Pkg. 801 - LFO Analyst Adjustments										
10 Continuance of unspecified GF reductions to Services and Supplies from prior biennium	(4,250,000)	-	-	-	-	-	(4,250,000)	-	-	
11 Pkg. 809 - Spring 2025 Reshoot										
12 Position Transfer to Public Health from HP&A	-	-	(74,561)	(74,561)	-	-	(149,122)	(1)	(0.50)	
13							-			
14										
15 Total adjustments LFO Rec from CSL	(4,114,424)	-	28,790,641	61,015	-	-	24,737,232	9	7.25	
16										
17 TOTAL 2025-27 LFO Recommended Budget	85,081,744	28,211	134,184,623	57,584,877	-	-	276,879,455	292	285.83	
18										
19 \$ Change from 2023-25 Approved	(25,854,150)	1,137	28,416,342	7,933,057	-	-	10,496,386	(19)	(0.96)	
20 % Change from 2023-25 Approved	-23.31%	4.20%	26.87%	15.98%			3.94%	-6.11%	-0.33%	
21 \$ Change from 2025-27 CSL	(4,114,424)	-	28,790,641	61,015	-	-	24,737,232	9	7.25	
22 % Change from 2025-27 CSL	-4.61%	0.00%	27.32%	0.11%			9.81%	3.18%	2.60%	
23 \$ Change from 2025-27 Governor's Budget	(6,265,388)	-	(5,567,222)	(51,442)	-	-	(11,884,052)	(6)	(4.12)	
24 % Change from 2025-27 Governor's Budget	-6.86%	0.00%	-3.98%	-0.09%			-4.12%	-2.01%	-1.42%	

OREGON HEALTH AUTHORITY: PEBB AND OEGB BENEFITS
HB 5025 WORK SESSION

	GENERAL	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments
2023-25 Legislatively Approved Budget (As of Dec 2024)	-	-	4,483,148,740	-	-	-	4,483,148,740	-	-	
2025-27 Current Service Level	-	-	4,911,532,927	-	-	-	4,911,532,927	-	-	
2025-27 Governor's Budget	-	-	4,911,532,927	-	-	-	4,911,532,927	-	-	
2025-27 LFO RECOMMENDED BUDGET	-	-	5,152,001,141	-	-	-	5,152,001,141	-	-	
1 2025-27 LFO RECOMMENDED BUDGET DETAIL										
2										
3 2025-27 Current Service Level	-	-	4,911,532,927	-	-	-	4,911,532,927	-	-	
4										
5 Pkg. 845 - Statutory Caseload - PEBB/OEBB										
6 PEBB Benefit Costs associated with Increased enrollment	-	-	164,554,948	-	-	-	164,554,948	-	-	
7 OEBB Benefit Costs associated with Increased enrollment	-	-	75,913,266	-	-	-	75,913,266	-	-	
8							-			
9							-			
10							-			
11										
12 Total adjustments LFO Rec from CSL	-	-	240,468,214	-	-	-	240,468,214	-	-	
13										
14 TOTAL 2025-27 LFO Recommended Budget	-	-	5,152,001,141	-	-	-	5,152,001,141	-	-	
15										
16 \$ Change from 2023-25 Approved	-	-	668,852,401	-	-	-	668,852,401	-	-	
17 % Change from 2023-25 Approved			14.92%				14.92%			
18 \$ Change from 2025-27 CSL	-	-	240,468,214	-	-	-	240,468,214	-	-	
19 % Change from 2025-27 CSL			4.90%				4.90%			
20 \$ Change from 2025-27 Governor's Budget	-	-	240,468,214	-	-	-	240,468,214	-	-	
21 % Change from 2025-27 Governor's Budget			4.90%				4.90%			

OREGON HEALTH AUTHORITY: PUBLIC HEALTH
HB 5025 WORK SESSION

	GENERAL	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments
2023-25 Legislatively Approved Budget (As of Dec 2024)	261,366,329	-	350,623,589	783,545,548	40,000,000	102,729,051	1,538,264,517	1,000	953.95	
2025-27 Current Service Level	260,113,729	-	355,734,097	455,967,583	40,000,000	118,138,409	1,229,953,818	997	993.71	
2025-27 Governor's Budget	276,197,530	-	354,737,049	456,879,966	40,000,000	118,138,409	1,245,952,954	1,015	1,011.71	
2025-27 LFO RECOMMENDED BUDGET	280,069,549	-	350,656,937	457,232,818	40,000,000	118,138,409	1,246,097,713	1,005	1,000.96	
1 2025-27 LFO RECOMMENDED BUDGET DETAIL										
2										
3 2025-27 Current Service Level	260,113,729	-	355,734,097	455,967,583	40,000,000	118,138,409	1,229,953,818	997	993.71	
4										
5 Pkg. 090 - CFO Analyst Adjustments										
6 Reproductive Health - Provider Response	10,000,000	-	-	-	-	-	10,000,000	-	-	
7 Reproductive Health - Grant for Seeding Justice	2,500,000	-	-	-	-	-	2,500,000	-	-	
8 School and Community Based Primary Prevention	7,000,000	-	-	-	-	-	7,000,000	-	-	
9 Pkg. 095 - Fall 2024 Reshoot										
10 Center for Health Protection Environmental Public Health (EPH) OF Limitation for IAA w/ DEQ	-	-	2,227,175	-	-	-	2,227,175	-	-	
11 Center for Prevention and Health Promotion Maternal and Child Health (MCH) FF Budget Limitation	-	-	-	990,000	-	-	990,000	1	1.00	
12 Center for Prevention and Health Promotion Nutrition and Health Screening (WIC) Position Authority	-	-	-	-	-	-	-	2	2.00	
13 Center for Public Health Practice HIV STD & TB Section (HST) Position Authority	-	-	308,655	-	-	-	308,655	1	1.00	
14 Pkg. 415 - Lower Umatilla Groundwater Management Area (LUGWMA) Response	725,146	-	-	-	-	-	725,146	3	3.00	
15 Pkg. 801 - LFO Analyst Adjustments										
16 Continuance of unspecified GF reductions to Services and Supplies from prior biennium	(470,000)	-	-	-	-	-	(470,000)	-	-	
17 Pkg. 808 - Revenue Adjustments	-	-	(7,280,288)	-	-	-	(7,280,288)	-	-	
18 Pkg. 809 - Spring 2025 Reshoot										
19 Limited-duration Position for SB546 (2023)	200,674	-	-	200,674	-	-	401,348	1	0.75	
20 Position Transfer to Public Health from HP&A	-	-	74,561	74,561	-	-	149,122	1	0.50	
21 Position Transfer from Public Health to Shared Services	-	-	(407,263)	-	-	-	(407,263)	(1)	(1.00)	
22										
23 Total adjustments LFO Rec from CSL	19,955,820	-	(5,077,160)	1,265,235	-	-	16,143,895	8	7.25	
24										
25 TOTAL 2025-27 LFO Recommended Budget	280,069,549	-	350,656,937	457,232,818	40,000,000	118,138,409	1,246,097,713	1,005	1,000.96	
26										
27 \$ Change from 2023-25 Approved	18,703,220	-	33,348	(326,312,730)	-	15,409,358	(292,166,804)	5	47.01	
28 % Change from 2023-25 Approved	7.16%		0.01%	-41.65%	0.00%	15.00%	-18.99%	0.50%	4.93%	
29 \$ Change from 2025-27 CSL	19,955,820	-	(5,077,160)	1,265,235	-	-	16,143,895	8	7.25	
30 % Change from 2025-27 CSL	7.67%		-1.43%	0.28%	0.00%	0.00%	1.31%	0.80%	0.73%	
31 \$ Change from 2025-27 Governor's Budget	3,872,019	-	(4,080,112)	352,852	-	-	144,759	(10)	(10.75)	
32 % Change from 2025-27 Governor's Budget	1.40%		-1.15%	0.08%	0.00%	0.00%	0.01%	-0.99%	-1.06%	

OREGON HEALTH AUTHORITY: OREGON STATE HOSPITAL
HB 5025 WORK SESSION

	GENERAL	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments
2023-25 Legislatively Approved Budget (As of Dec 2024)	800,411,957	-	18,700,707	42,979,854	-	-	862,092,518	2,772	2,768.75	
2025-27 Current Service Level	924,849,350	-	16,767,424	32,441,418	-	-	974,058,192	2,772	2,772.00	
2025-27 Governor's Budget	971,942,780	-	21,555,424	32,441,064	-	-	1,025,939,268	2,996	2,990.82	
2025-27 LFO RECOMMENDED BUDGET	980,899,302	-	16,767,424	32,441,418	-	-	1,030,108,144	2,995	2,991.93	
1 2025-27 LFO RECOMMENDED BUDGET DETAIL										
2										
3 2025-27 Current Service Level	924,849,350	-	16,767,424	32,441,418	-	-	974,058,192	2,772	2,772.00	
4										
5 Pkg. 090 - CFO Analyst Adjustments										
6 Behavioral Health Community Navigators	531,308	-	-	-	-	-	531,308	2	2.00	
7 Pkg. 807 - State Hospital Operational Enhancements										
8 Carry-forward of CMS response package from Fall 2024 rebalance	21,789,629	-	-	-	-	-	21,789,629	76	76	
9 Additional Mental Health Technicians / Posting Factor	17,400,000	-	-	-	-	-	17,400,000	136	136	
10 Enhanced Security Contracts	5,800,000	-	-	-	-	-	5,800,000	-	-	
11 AVATAR Electronic Health Records System Enhancements	3,100,000	-	-	-	-	-	3,100,000	-	-	
12 Patient Vitals Monitoring	3,000,000	-	-	-	-	-	3,000,000	-	-	
13 Flexible Housing Fund for Discharging Patients	3,000,000	-	-	-	-	-	3,000,000	-	-	
14 Reclassification of LPN positions to RN positions	531,504	-	-	-	-	-	531,504	-	-	
15 Forensic Evaluator Contracts	685,782	-	-	-	-	-	685,782	-	-	
16 Native Services	211,729	-	-	-	-	-	211,729	6	2.93	
17 Pkg. 809 - Spring 2025 Reshoot										
18 Psychiatry Positions/Conversion of S&S - from Fall 24 Rebalance	-	-	-	-	-	-	-	3	3.00	
19							-			
20										
21 Total adjustments LFO Rec from CSL	56,049,952	-	-	-	-	-	56,049,952	223	219.93	
22										
23 TOTAL 2025-27 LFO Recommended Budget	980,899,302	-	16,767,424	32,441,418	-	-	1,030,108,144	2,995	2,991.93	
24										
25 \$ Change from 2023-25 Approved	180,487,345	-	(1,933,283)	(10,538,436)	-	-	168,015,626	223	223.18	
26 % Change from 2023-25 Approved	22.55%		-10.34%	-24.52%			19.49%	8.04%	8.06%	
27 \$ Change from 2025-27 CSL	56,049,952	-	-	-	-	-	56,049,952	223	219.93	
28 % Change from 2025-27 CSL	6.06%		0.00%	0.00%			5.75%	8.04%	7.93%	
29 \$ Change from 2025-27 Governor's Budget	8,956,522	-	(4,788,000)	354	-	-	4,168,876	(1)	1.11	
30 % Change from 2025-27 Governor's Budget	0.92%		-22.21%	0.00%			0.41%	-0.03%	0.04%	

OREGON HEALTH AUTHORITY: CENTRAL SERVICES, SHARED SERVICES, SAEC
HB 5025 WORK SESSION

	GENERAL	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments
2023-25 Legislatively Approved Budget (As of Dec 2024)	374,914,367	6,952,587	296,930,901	103,478,359	-	-	782,276,214	960	938.01	
2025-27 Current Service Level	433,064,530	17,318,803	325,152,688	112,461,296	-	-	887,997,317	950	950.00	
2025-27 Governor's Budget	431,070,219	17,318,803	335,823,190	111,590,530	-	-	895,802,742	974	968.50	
2025-27 LFO RECOMMENDED BUDGET	417,062,212	17,318,803	336,293,407	112,858,170	-	-	883,532,592	956	955.75	
1 2025-27 LFO RECOMMENDED BUDGET DETAIL										
2										
3 2025-27 Current Service Level	433,064,530	17,318,803	325,152,688	112,461,296	-	-	887,997,317	950	950.00	
4										
5 Pkg. 090 - CFO Analyst Adjustments										
6 Director's Office Positions - Management Support	-	-	-	-	-	-	-	4	3.75	
7 Staff to Administer Expanded DRG Assessment	104,288	-	-	104,288	-	-	208,576	1	1.00	
8 Pkg. 095 - Fall 2024 Reshoot										
9 REALD and SOGI project savings	(1,200,000)	-	-	-	-	-	(1,200,000)	-	-	
10 SB 1578 Health Care Interpreter savings	(194,376)	-	-	(179,424)	-	-	(373,800)	-	-	
11 Transfer 988 Communications Position from CSD to BH Admin	(208,492)	-	(18,244)	(33,879)	-	-	(260,615)	(1)	(1.00)	
12 Pkg. 201 - Mainframe Modernization	734,146	-	5,951,252	223,773	-	-	6,909,171	-	-	
13 Pkg. 424 - State-Based Marketplace Phase 2	-	-	1,409,869	-	-	-	1,409,869	-	-	
14 Pkg. 801 - LFO Analyst Adjustments										
15 Continuance of unspecified GF reductions to Services and Supplies from prior biennium	(15,520,000)	-	-	-	-	-	(15,520,000)	-	-	
16 Pkg. 809 - Spring 2025 Reshoot										
17 Increased Limitation for Microsoft 360 Licensure	-	-	9,417,112	-	-	-	9,417,112	-	-	
18 Other Fund- Empty Limitation (Facilities & ETS)	-	-	(6,000,000)	-	-	-	(6,000,000)	-	-	
19 Medicaid Communications Transfer to External Relations Division (ERD)	282,116	-		282,116	-	-	564,232	1	1.00	
20 Position Transfer from Public Health to Shared Services	-	-	380,730	-	-	-	380,730	1	1.00	
21										
22 Total adjustments LFO Rec from CSL	(16,002,318)	-	11,140,719	396,874	-	-	(4,464,725)	6	5.75	
23										
24 TOTAL 2025-27 LFO Recommended Budget	417,062,212	17,318,803	336,293,407	112,858,170	-	-	883,532,592	956	955.75	
25										
26 \$ Change from 2023-25 Approved	42,147,845	10,366,216	39,362,506	9,379,811	-	-	101,256,378	(4)	17.74	
27 % Change from 2023-25 Approved	11.24%	149.10%	13.26%	9.06%			12.94%	-0.42%	1.89%	
28 \$ Change from 2025-27 CSL	(16,002,318)	-	11,140,719	396,874	-	-	(4,464,725)	6	5.75	
29 % Change from 2025-27 CSL	-3.70%	0.00%	3.43%	0.35%			-0.50%	0.63%	0.61%	
30 \$ Change from 2025-27 Governor's Budget	(14,008,007)	-	470,217	1,267,640	-	-	(12,270,150)	(18)	(12.75)	
31 % Change from 2025-27 Governor's Budget	-3.25%	0.00%	0.14%	1.14%			-1.37%	-1.85%	-1.32%	

Legislatively Proposed 2025 - 2027 Key Performance Measures

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Agency: Oregon Health Authority

Mission Statement:

Ensuring all people and communities can achieve optimum physical, mental, and social well-being through partnerships, prevention, and access to quality, affordable health care.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
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	42.30%	42%	42%
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	16.60%	17%	17.50%
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	34.50%	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	88.30%	90%	90%
9. 30 DAY ILLICIT DRUG USE AMONG 8TH GRADERS - Percentage of 8th graders who have used illicit drugs in the past 30 days.		Approved	1%	1%	1%
10. 30 DAY ALCOHOL USE AMONG 8TH GRADERS - Percentage of 8th graders who have used alcohol in the past 30 days.		Approved	6%	5%	5%
20. ACCESS TO CARE - Percentage of members who responded "always" or "usually" to getting care quickly.	a) Adults	Approved	76.40%	88%	88%
	b) Children		85.40%	88%	88%
21. MEMBER SATISFACTION OF CARE - Composite measurement: how well doctors communicate; health plan information and customer service (Medicaid population).	a) Adult	Approved	88.20%	90%	90%
	b) Children		89.70%	90%	90%
23. RATE OF TOBACCO USE (POPULATION) - Rate of tobacco use among adults.		Approved	13.90%	14%	14%
25. RATE OF OBESITY (POPULATION) - Percentage of adults who are obese among Oregonians.		Approved	33.80%	27%	27%
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	85%	95%	95%
	Accuracy		83%	95%	95%
	Availability of Information		80%	95%	95%
	Expertise		88%	95%	95%

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
	Helpfulness		86%	95%	95%
	Timeliness		86%	95%	95%
35. HEALTH EQUITY MEASURE – COMPONENT #1: MEANINGFUL LANGUAGE ACCESS TO CULTURALLY RESPONSIVE HEALTH CARE SERVICES FOR CCO MEMBERS - Component 1 is based on an annual language access self-assessment survey and designed to evaluate the development of structures and workflow processes to provide quality and consistent interpreter services.		Approved	75%	75%	75%
36. HEALTH EQUITY MEASURE - COMPONENT #2: MEANINGFUL LANGUAGE ACCESS TO CULTURALLY RESPONSIVE HEALTH CARE SERVICES FOR CCO MEMBERS - Component 2 is based on the reporting of quarterly utilization data on interpreter services and designed to measure quality of interpreter services.		Approved	6.10%	7.30%	7.30%
37. INFANT MORTALITY RATE - Numerator: # of deaths of infants <365 days of age in specified time period Denominator: # of live births in specified time period. Rate calculation: (Num/Denom)*1,000		Approved	4.49	3.80	3.80
38. REDUCTION OF SEVERE MATERNAL MORBIDITY - Numerator: # of cases of severe maternal morbidity* in specified time period Denominator: # of delivery hospitalizations in specified time period Rate calculation: (Num/Denom)*10,000 (read out as "[number] per 10,000 delivery hospitalizations") *Note: Severe maternal morbidity cases are determined by using a validated set of ICD-10 diagnosis and procedure codes to examine hospital data.		Approved	81.80	75	75
44. QUALITY OF LIFE - POOR PHYSICAL HEALTH - Average number of physically unhealthy days in the past 30 among adults. Measuring health-related quality of life helps build understanding around people's lived experience with disabilities and chronic diseases across the population. Self-report of days when physical health was not good is a reliable estimate of recent health status.		Approved	3.30	3	3
45. QUALITY OF LIFE - POOR MENTAL HEALTH - Average number of mentally unhealthy days in the past 30 days (age 18+). Measuring health-related quality of life helps build understanding around people's lived experience with disabilities and chronic diseases across the population. Self-report of days when mental health was not good is a reliable estimate of recent health status.		Approved	5.70	3	3
46. PREMATURE DEATH - Number of years of potential life lost (YPLL) per 100,000 before age 75. Premature death is measured by summing the years between age at death and age 75 across all people who died before reaching that age. It's a way of quantifying the societal impact of early deaths in a population. Causes of death that are more likely to affect younger people – such as congenital anomalies and accidental injuries – contribute to higher rates of premature death.		Approved	7,333	5,300	5,300
47. MORTALITY FROM DRUG OVERDOES - Number of deaths per 100,000 from drug overdoses excluding suicide. Drug overdose deaths account for a major proportion of all premature deaths and are largely preventable.		Approved	25.70	7.70	7.70

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
48. TOBACCO USE - TEENS - Percent of 11th graders who use tobacco (past 30 days). Cigarette smoking is the most common cause of preventable death and disease. It is identified as a cause of various cancers, cardiovascular disease, and respiratory conditions, as well as low birthweight and other adverse health outcomes. Many teen smokers become adult smokers. Measuring the prevalence of tobacco use in the youth population can alert communities to potential adverse health outcomes and can be valuable for assessing the need for prevention programs or the effectiveness of existing programs.		Approved	12.80%	10%	10%
49. OBESITY - TEENS - Percent of 11th graders who are obese (BMI >= 95th percentile for age/sex). Obesity is the second leading cause of preventable death in Oregon. It is a major risk factor for high blood pressure, high cholesterol, diabetes, heart disease, and cancer. Obese teens are at an increased risk of becoming obese adults.		Approved	13.40%	10%	10%
50. STATEWIDE SUSTAINABLE COST OF CARE - Comparison of health care cost changes to personal income changes. Any value 0 or higher is green because we want per capita income growth to equal or exceed per capita health care cost growth. By way of background, the statewide sustainable cost of care measure is a comparison between per person growth in income in Oregon and health care spending growth in Oregon. Historically, health care costs have grown faster than income and Oregon is trying to change that with the Cost Growth Target program and other initiatives. When the result from subtracting per person income growth minus per person health care cost growth is 0 or positive, it means income is growing at the same pace or faster than health care costs, which is good. When the measure is a negative number, it means health care costs are growing faster than income, which is not good.		Approved	-4.07	0	0
51. OHA SUSTAINABLE COST OF CARE - Difference between real personal income and health care inflation. Any value 0 or higher is green because we want per capita income growth to equal or exceed OHA's per person spending on PEBB, OEBB, and OHP. By way of background, the OHA sustainable cost of care measure is a comparison between per person growth in income in Oregon and health care spending growth for OHA's three health programs: Oregon Health Plan, Public Employees Benefits and Oregon Educators Benefits. When the result from subtracting per person income growth in Oregon minus per person spending on PEBB, OEBB, and OHP is 0 or positive, it means income is growing at the same pace or faster than OHA's health care costs, which is good. When the measure is a negative number, it means the cost of OHA's three health care programs is growing faster than income, which is not good.		Approved	-2	0	0
52. CRITICAL EVENTS MEETING THE 14-CALENDAR DAY TIMELINE TO PROVIDE CORRESPONDENCE TO TRIBAL LEADERS - To track compliance with the OHA Tribal Consultation Policy timelines, % of critical events meeting the timeline. Total number of critical events meeting the timeline/total number of identified critical events.		Approved	100%	100%	100%
53. TRIBAL CONSULTATIONS MEETING THE 30-CALENDAR DAY TIMELINE FOR REPORTING OF OUTCOME OF CONSULTATION - To track compliance with the OHA Tribal Consultation Policy timelines, % of consultations reporting outcome within 30 calendar days. Total number of consultations meeting reporting timeline/total number of consultations		Approved	100%	100%	100%

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
54. TIMELINESS OF TRANSLATIONS DURING EMERGING PUBLIC HEALTH EVENTS - To allow for equitable access to important public health information during public health events. Meet Federal and state legal obligations to provide information in alternative languages and formats, including Title VI of the Civil Rights Act. Compliance with agency policies, including DHS OHA-010-013 Alternate Formats and Language Access Services. Number of hours from Incident Manager approval of an important (expedited) public information document for an identified public health event to the return of translated documents to the incident's Joint Information Center.		Approved	100.25	2	2
39. COMPARISON OF OHA WORKFORCE TO POTENTIAL LABOR MARKET - Comparisons of the OHA workforce to the potential labor market provide a measurement of parity, defined as: achieving comparable representation of Tribal communities, communities of color, people with disabilities and females (binary gender for now) in OHA's workforce to the same proportion in the potential labor market.		Proposed Delete		90%	
40. COMPARISON OF OHA NON-SUPERVISORY MANAGERS TO POTENTIAL LABOR MARKET - Comparisons of OHA non-supervisory managers to the potential labor market provide a measurement of parity, defined as: achieving comparable representation of Tribal communities, communities of color, people with disabilities and females (binary gender for now) who are OHA non-supervisory managers to the same proportion in the potential labor market.		Proposed Delete		90%	
41. COMPARISON OF OHA SUPERVISORY MANAGERS TO POTENTIAL LABOR MARKET - Comparisons of OHA supervisory managers to the potential labor market provide a measurement of parity, defined as: achieving comparable representation of Tribal communities, communities of color, people with disabilities and females (binary gender for now) who are OHA supervisory managers to the same proportion in the potential labor market.		Proposed Delete		90%	
42. COMPARISON OF OHA VOLUNTARY SEPARATIONS TO ALL AGENCY SEPARATIONS - OHA defines parity as achieving comparable representation of Tribal communities, communities of color, people with disabilities and females (binary gender for now) in OHA's workforce to the same proportion to OHA's potential labor market.		Proposed Delete			
43. COMPARISON OF OHA INVOLUNTARY SEPARATIONS TO ALL AGENCY SEPARATIONS - Parity is determined by a ratio of OHA involuntary separations—dismissal, dismissal during trial service or layoff—(numerator) and all agency separations (denominator). If the ratio score is greater than or equal to 90% for Tribal communities, communities of color, people with disabilities or females, then there is a relatively high representation of that group in involuntary separations from the agency. Excludes deaths and unknown separations.		Proposed Delete			
55. PENDING REDETERMINATION APPLICATIONS OVER 45 DAYS OLD - Total number of pending applications for redetermination that are over 45 days old.		Proposed Delete	0	0	

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the Key Performance Measures and targets as presented with the caveat that the agency work with LFO and the Joint Ways and Means Subcommittee on Human Services to identify key performance measures related to hospital care outcomes and healthcare worker staffing.

SubCommittee Action: