



Legislative Fiscal Office
 83rd Oregon Legislative Assembly
 2025 Regular Session

Prepared by: MaryMichelle Sosne
 Reviewed by: Matt Stayner, Walt Campbell, Gregory Jolivette
 Date: April 3, 2025

Bill Title: Relating to veterans; declaring an emergency.

Government Unit(s) Affected: Oregon Health Authority, Department of Veterans' Affairs, Department of Human Services

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Health Authority	\$ 1,217,359	\$ 100,839,268	\$ -	\$ 434,022	\$ 102,490,649	5	3.88
Department of Human Services	\$ 1,436,494	\$ -	\$ -	\$ 2,167,490	\$ 3,603,984	9	6.75
Total Fiscal Impact	\$ 2,653,853	\$100,839,268	\$ -	\$ 2,601,512	\$106,094,633	14	10.63

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Health Authority	\$ 570,707	\$ 138,484,789	\$ -	\$ 282,759	\$ 139,338,255	3	3.00
Department of Human Services	\$ 825,373	\$ -	\$ -	\$ 825,373	\$ 1,650,746	9	9.00
Total Fiscal Impact	\$ 1,396,080	\$138,484,789	\$ -	\$ 1,108,132	\$140,989,001	12	12.00

Measure Description

The measure establishes the Veterans Waiver Program within the Oregon Health Authority (OHA) to provide medical assistance to veterans who are residents in Oregon with an income below 400% of the federal poverty guidelines. The measure appropriates to OHA an unspecified amount of Lottery Funds from monies allocated to the agency from the Veterans' Services Fund (VSF) to support the Veterans Waiver Program. By July 1, 2026, OHA must estimate the amount of funding needed to pay the costs of the Veteran Waiver Program and if it exceeds the amount available in the Veterans Waiver Fund, OHA must request additional funds through their agency request budget, this requirement is repealed on January 1, 2027.

OHA is required to begin accepting applications by November 1, 2025, and begin providing medical assistance on January 1, 2026.

Fiscal Analysis

The fiscal impact of the measure is \$106.1 million total funds and 14 positions (10.63 FTE). Of the total, \$98.8 million lottery funds represent the cost of adding approximately 11,000 veterans to medical assistance coverage. Services increases to \$138.5 million Lottery Funds in 2027-29, which includes an annual inflation factor of 3.4% and the full 24 months of benefits.

It is important to note that based on the March 2025 revenue forecast, dedicated lottery funding for veterans for the 2025-27 biennium is only estimated to be \$28.8 million. Additionally, the VSF is historically fully subscribed through the Department of Veterans' Affairs programs, OHA's Behavioral Health and Dental Programs as well as smaller programs for Criminal Justice Commission and Bureau of Labor and Industries. OHA receiving additional dedicated lottery funding for the Veterans Waiver Program would necessitate reductions of these existing programs.

Oregon Health Authority

The fiscal impact of the measure on OHA is \$102.5 million dollars and five positions (3.88 FTE). Of the total, \$98.8 million lottery funds will be used to extend medical assistance to veterans. To support the new program, OHA will require five positions (3.88 FTE). The estimated cost of these positions, including personal services and position-related services and supplies costs is \$1.1 million total funds. New positions include four permanent full-time operations and policy analyst 3 positions to serve as the Medicaid veterans' community subject matter expert, the Medicaid benefits analyst, the Medicaid eligibility analyst for implementation and as a veterans' health policy analyst, and one limited duration full-time project manager 3 position to serve as the Medicaid project manager and coordinator for this program.

The Department of Human Services

The fiscal impact of the measure on the Department of Human Services (DHS) is \$3.6 million total funds. Due to the increase in caseload, the ONE eligibility program will require nine permanent full-time positions (6.75 FTE). The estimated cost for these positions, including personal services and position-related services and supplies costs, is \$1.4 million total funds. New positions include three human services specialist 3 positions to perform eligibility determinations, one human services specialist 4 position as the eligibility lead, one human services specialist 1 position for support staff, two compliance specialist 2 positions to process hearing requests, one learning and development specialist 2 position to develop new eligibility training and materials and one human services specialist supervisor 2 position to supervise statewide delivery and design. Additional costs include contractor services, estimated to be a one-time cost of \$2.1 million total funds for 11,500 hours of work. The contractor will make changes to the ONE system to add a new eligibility category and to update the applicant and user portals.

The measure has no fiscal impact on the Department of Veterans' Affairs.

Relevant Dates

The measure declares an emergency and takes effect on passage and takes effect on July 1, 2025

OHA must begin accepting applications by November 1, 2025, and provide medical assistance by January 1, 2026.

By July 1, 2026, OHA must estimate the amount of funding needed to pay the costs of the Veteran Waiver Program and if it exceeds the amount available in the Veterans Waiver Fund, OHA must request additional funds through their agency request budget, this requirement is repealed on January 1, 2027.