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CERTIFICATION

I hereby certify that the accompanying summary and detailed statements are true and correct to the best of my knowledge and belief and that the accuracy of all numerical information has been verified.

Oregon Health Authority

AGENCY NAME

500 Summer Street NE
Salem, OR 97301

AGENCY ADDRESS

SIGNATURE

Director

TITLE

Notice: Requests of agencies headed by a board or commission must be approved by official action of those bodies and signed by the board or commission chairperson. The requests of other agencies must be approved and signed by the agency director or administrator.

X Agency Request

____ Governor's Budget

____ Legislatively Adopted

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: SB 454 B**

BUDGET REPORT AND MEASURE SUMMARY **CARRIER: Rep. Holvey**
Rep. Vega Pederson

Joint Committee On Ways and Means

Action: Do Pass.
Action Date: 06/05/15
Vote:
House
Yeas: 7 - Buckley, Gomberg, Komp, Nathanson, Rayfield, Read, Williamson
Nays: 4 - Huffman, McLane, Whisnant, Whitsett
Exc: 1 - Smith
Senate
Yeas: 7 - Burdick, Devlin, Monroe, President Courtney, Roblan, Shields, Steiner Hayward
Nays: 4 - Girod, Hansell, Thomsen, Whitsett
Exc: 2 - Johnson, Winters
Prepared By: Art Ayre and Michelle Lisper, Department of Administrative Services
Reviewed By: Linda Ames, Laurie Byerly, and Michelle Deister, Legislative Fiscal Office

Agencies: Various
Biennium: 2015-17

Budget Summary

	2013-15 Legislatively Approved Budget	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				$ Change	% Change
Bureau of Labor and Industries					
General Fund	$ -	$ -	$ 402,879	$ 402,879	
Department of Human Services					
General Fund	$ -	$ -	$ 1,015,574	$ 1,015,574	
Oregon Health Authority					
General Fund	$ -	$ -	$ 3,094	$ 3,094	
Total	$ -	$ -	$ 1,421,547	$ 1,421,547	

Position Summary

Bureau of Labor and Industries				
Authorized Positions	0	0	3	3
Full-time Equivalent (FTE) positions	0.00	0.00	2.25	2.25

Revenue Summary

The Bureau of Labor and Industries (BOLI) is authorized to assess civil penalties for violations of sick leave law as contemplated in Senate Bill 454. However, BOLI is not able to predict revenue from penalties at this time due to a lack of long-term history with sick leave ordinances, the discretion of the Commissioner in assessing penalties, and the potential difference between the amounts assessed versus eventually collected.

Summary of Human Services Subcommittee Action

Senate Bill 454 requires most employers having ten or more employees to implement a sick time policy allowing an employee to earn, accrue, donate or use up to 40 hours of paid sick time per year. Most employers who employ fewer than ten employees are required to implement an unpaid sick time policy. Employers located in Portland are required to comply with the same provisions, except they would be required to provide up to 40 hours of paid sick time if they have six or more employees.

This bill appropriates $1,421,547 General Fund for three agencies: BOLI, the Department of Human Services (DHS), and the Oregon Health Authority (OHA). There is also a Federal Funds expenditure component for DHS and OHA that will be accounted for those agencies' respective budget bills or an omnibus reconciliation bill, if needed.

The State of Oregon employs about 1,675 temporary employees (in various agencies) for three or more months during a biennium, who do not currently receive sick leave. Based on average wages and average hours worked by these employees, the cost to all agencies combined is estimated to be $1.0 million total funds during the 2015-17 biennium. Those appropriations or expenditure limitations have not been included in this bill. However, as agencies incur these costs they may return to the Emergency Board or a future legislative session to request any associated budget adjustments.

The Subcommittee also discussed potential fiscal impacts to public universities, K-12 schools, and community colleges.

Bureau of Labor and Industries

Senate Bill 454 requires subject employers to maintain certain records related to the accrual and use of sick time by employees, and to provide written notice to employees of the requirements of sick time law. BOLI will be responsible for processing and investigating complaints regarding paid sick time provisions and enforcement of the law with employers found to be out of compliance. Utilizing its experience with enforcing the City of Portland's sick time ordinance as a base line, BOLI anticipates an additional 440 complaints, approximately 15.0 percent of which would result in a formal investigation.

The Subcommittee approved $145,081 General Fund for a Training and Development Specialist 2 limited duration position (0.75 FTE) for the 2015-17 biennium to respond and assist in employer compliance inquiries and efforts. The Department anticipates that many employers will have questions about the new sick leave law, generating inquiries with the Technical Assistance for Employers program at BOLI and requiring revisions to training materials, handbooks, and website information.

The Subcommittee approved $125,005 General Fund for one permanent full-time Civil Rights Field Representative 2 position (0.75 FTE) for additional anticipated workload related to complaints and investigations. Finally, $132,793 General Fund was approved for one permanent full-time Compliance Specialist 2 position (0.75 FTE) in the Wage and Hour Division for related investigations.

These three positions result in a $402,879 General Fund appropriation ($337,030 Personal Services; $65,849 Services and Supplies).

Department of Human Services and Oregon Health Authority

Home care workers and personal support workers, through the Department of Human Services (DHS) and Oregon Health Authority (OHA), currently accrue up to 32 hours of paid time off annually. The bill would increase allowable paid time off by up to 8 hours per employee, for a maximum accrual of 40 hours of paid time off a year. The Home Care Commission is directed to establish a paid sick time policy which is anticipated to distinguish how paid sick time, vacation time and other forms of paid time off will be accommodated. The cost to DHS for these home care workers and personal support workers is estimated to be $1.0 million General Fund and $2.3 million Federal Funds in the 2015-17 biennium. The corresponding cost to OHA is only $3,094 General Fund and $5,550 Federal Funds. The General Fund appropriations are included in this bill, with the Federal Funds expenditure limitation for each agency to be addressed in other budget bills, if needed.

Local providers that contract with DHS and OHA may incur additional costs associated with this bill, which may result in price increases with the state's contracts for programs, including the Oregon Developmental Disabilities Services and the Aging and People with Disabilities programs. The rates the state pays providers are based on a client's needs using various assessment tools. Some rates include an allowance for personal time off and/or other administrative costs. Some rates, such as nursing facility rates use cost-based reimbursement and rates are set prospectively using retrospective costs. Some employees in nursing facilities are now covered by a union and some home-like settings may have fewer than ten employees (or six employees in Portland), so these employees would be excluded as this bill is written. However some other providers will be affected by the bill and may ask for payment increases in their contracts. The noted uncertainty surrounding this measure's impact to local provider contracts suggests that DHS and/or OHA may need to return to the Emergency Board if budgeted resources prove insufficient to cover the actual costs of these contracts.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 454-B

Various Agencies
Art Ayre - 503-378-3108; Michelle Lisper - 503-378-3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
Bureau of Labor and Industries									
SUBCOMMITTEE ADJUSTMENTS									
SCR 010 - Commissioner's Office / Support Services									
Personal Services	$ 120,901	$ -	$ -	$ -	$ -	$ -	$ 120,901	1	0.75
Services and Supplies	$ 24,180	$ -	$ -	$ -	$ -	$ -	$ 24,180		
SCR 030 - Civil Rights Division									
Personal Services	$ 104,171	$ -	$ -	$ -	$ -	$ -	$ 104,171	1	0.75
Services and Supplies	$ 20,834	$ -	$ -	$ -	$ -	$ -	$ 20,834		
SCR 040 - Wage and Hour Division									
Personal Services	$ 111,958	$ -	$ -	$ -	$ -	$ -	$ 111,958	1	0.75
Services and Supplies	$ 20,835	$ -	$ -	$ -	$ -	$ -	$ 20,835		
SUBCOMMITTEE RECOMMENDATION	$ 402,879	$ -	$ -	$ -	$ -	$ -	$ 402,879	3	2.25
Department of Human Services									
SUBCOMMITTEE ADJUSTMENTS									
SCR 060-08 - Aging and People with Disabilities									
Special Payments	$ 654,986	$ -	$ -	$ -	$ -	$ -	$ 654,986		
SCR 060-09 - Intellectual and Developmental Disabilities									
Special Payments	$ 360,588	$ -	$ -	$ -	$ -	$ -	$ 360,588		
SUBCOMMITTEE RECOMMENDATION	$ 1,015,574	$ -	$ -	$ -	$ -	$ -	$ 1,015,574	0	0.00
Oregon Health Authority									
SUBCOMMITTEE ADJUSTMENTS									
SCR 020-01 - Medical Assistance Programs									
Special Payments	$ 3,094	$ -	$ -	$ -	$ -	$ -	$ 3,094		
SUBCOMMITTEE RECOMMENDATION	$ 3,094	$ -	$ -	$ -	$ -	$ -	$ 3,094	0	0.00

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: SB 469 B**

BUDGET REPORT AND MEASURE SUMMARY **CARRIER: Rep. Nathanson**

Joint Committee On Ways and Means

Action: Do Pass.
Action Date: 06/12/15
Vote:
House
Yeas: 10 - Buckley, Gomberg, Huffman, Komp, Nathanson, Rayfield, Smith, Whisnant, Whitsett, Williamson
Exc: 2 - McLane, Read
Senate
Yeas: 11 - Burdick, Devlin, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Whitsett, Winters
Exc: 1 - Girod
Prepared By: Art Ayre, Department of Administrative Services
Reviewed By: Kim To, Legislative Fiscal Office

Agency: Oregon Health Authority
Biennium: 2015-17

Budget Summary*

	2013-15 Legislatively Approved Budget[1]	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				$ Change	% Change
General Fund	$ -	$ -	$ 552,592	$ 552,592	0.0%
Total	$ -	$ -	$ 552,592	$ 552,592	0.0%

Position Summary

Authorized Positions	0	0	3	3
Full-time Equivalent (FTE) positions	0.00	0.00	2.64	2.64

[1] Includes adjustments through December 2014

* Excludes Capital Construction expenditures

Revenue Summary

Senate Bill 469 appropriates $552,592 General Fund to the Oregon Health Authority to carry out audits and investigations as required by the bill.

Summary of Human Services Subcommittee Action

Senate Bill 469 requires each hospital to establish a hospital nurse staffing committee to develop a written hospital-wide staffing plan to ensure the hospital is staffed to meet the health care needs of patients. The bill outlines the composition and governance of the committee, as well as staffing standards that must be met.

In addition, the bill establishes the 12-member Nurse Staffing Advisory Board within the Oregon Health Authority (OHA). The Board is charged with advising OHA regarding the administration of hospital staffing plans; identifying trends, opportunities and concerns related to nurse staffing; and reviewing OHA's enforcement powers of staffing plans.

Public Health – 020-06

Senate Bill 469 requires OHA to audit each hospital in Oregon once every three years to verify compliance with the requirements of selected statutes relating to nurse staffing. It requires OHA to compile and make available to the public an annual report of these audits. The bill also requires OHA to conduct complaint investigations and authorizes the agency to impose civil penalties under certain conditions. The bill requires OHA to post online these audit and investigation reports as well as any other information recommended by the Nurse Staffing Advisory Board.

The Subcommittee approved a budget of $552,592 General Fund and three permanent full-time positions (2.64 FTE) for OHA's Public Health Program to carry out audits and investigations as required by the bill. The three positions are a Client Care Surveyor, an Operations and Policy Analyst 3, and an Administrative Specialist 1.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 469-B

Oregon Health Authority
Art Ayre - 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
SUBCOMMITTEE RECOMMENDATION									
SCR 020-06 - Public Health									
Personal Services	$ 391,252	$ -	$ -	$ -	$ -	$ -	$ 391,252	3	2.64
Services and Supplies	$ 161,340	$ -	$ -	$ -	$ -	$ -	$ 161,340		
TOTAL SUBCOMMITTEE RECOMMENDATION	$ 552,592	$ -	$ -	$ -	$ -	$ -	$ 552,592	3	2.64

FISCAL IMPACT OF PROPOSED LEGISLATION **Measure: HB 2393 - B**

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: Kim To
Reviewed by: Laurie Byerly, Linda Ames, Steve Bender
Date: 6/17/2015

Measure Description:
Requires Oregon State Lottery to hold lottery prize in excess of $600 that is owed to person that has not repaid overpayment of public assistance or medical assistance benefits.

Government Unit(s) Affected:
Department of Human Services (DHS), Oregon Health Authority (OHA), Oregon State Lottery

Summary of Expenditure Impact:

	2015-17 Biennium	2017-19 Biennium
EXPENDITURES		
General Fund	$105,762	$24,012
Federal Funds	99,138	17,388
Total Expenditures	**$204,900**	**$41,400**
REVENUES		
State Share	$27,042	$27,042
Federal Share	182,910	182,910
Total Projected Recovered Funds	**$209,952**	**$209,952**
NET IMPACT	**$5,052**	**$168,552**

Local Government Mandate:
This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:
House Bill 2393 requires the Oregon State Lottery Commission to develop rules to hold lottery prizes in excess of $600 in order to ascertain if the individuals entitled to these winnings have received an overpayment of assistance for which the Department of Human Services (DHS) or the Oregon Health Authority (OHS) is authorized to, and has issued, a final order for overpayment. The Lottery is required to inform DHS and OHA of these individuals, and to place a hold on these winnings for 30 days, or until DHS or OHA has notified the Lottery that a garnishment proceeding will not be initiated, whichever is shortest. These requirements apply to overpayment of assistance first issued on or after the January 16, 2016 effective date. The bill directs the Lottery, OHA and DHS to enter into an agreement to establish and manage this data exchange. The bill specifies that payment of any past-due child support has priority over the recovery of any overpayment of assistance.

Note that under current practice, Video Lottery^{SM} prizes of up to $1,250 can be paid directly by Video Lottery^{SM} retailers at the retail location. These prizes are generally not paid at Lottery Headquarters, and as such would not be subject to the process specified in the bill.

<u>Oregon State Lottery</u>

The bill requires the Oregon State Lottery Commission to establish and operate a data match system using automated data exchanges with DHS and OHA to identify individuals who have received an overpayment of assistance for which a final order for overpayment has been issued. Lottery estimates the initial one-time cost to establish this data exchange and match system to be approximately $163,500 General Funds. This amount includes staff time, programming charges, as well as legal and equipment expenses. Lottery estimates the on-going information technology cost of maintaining the system to be approximately $19,800 General Fund per biennium. In addition, Lottery estimates that the cost to process the garnishment and remit funds to be approximately $100 per claim. Based on DHS and OHA projections of 9 claims per month, the claim cost would total $21,600 General Fund per biennium.

In accordance with the Oregon Constitution, Lottery's administrative funds can only be used for the administration of the lottery. As such, if this bill passes, DHS/OHA will enter into an agreement with Lottery to pay the one-time costs to establish the system, as well as the on-going monthly expense, and the cost per claim.

Department of Human Services (DHS), Oregon Health Authority (OHA)

The Office of Payment Accuracy and Recovery (OPAR) reports that there is currently a total of $56,665,083 in overpayments of benefits to 23,419 DHS/OHA clients. Based on July 2010 – June 2012 data from the May 2013 Secretary of State audit of Public Assistance, OPAR extrapolates that there could potentially be 9 data matches to the Lottery system per month at an average of $972 per claim ($8,748 per month / $209,952 per biennium). Based on OPAR's analysis of recovery, 12.88% (27,042) of Total Funds will be attributed to the State, and 87.12% ($182,910) to Federal recovery.

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: HB 3230 B**

BUDGET REPORT AND MEASURE SUMMARY **CARRIER: Sen. Steiner Hayward**

Joint Committee On Ways and Means

Action: Do Pass The B-Eng Bill.
Action Date: 06/19/15
Vote:
Senate
Yeas: 11 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Whitsett
Exc: 1 - Winters
House
Yeas: 12 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Whitsett, Williamson
Prepared By: Art Ayre, Department of Administrative Services
Reviewed By: Linda Ames, Legislative Fiscal Office

Agency: Oregon Health Authority
Biennium: 2015-17

Budget Summary*

	2013-15 Legislatively Approved Budget[1]	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				$ Change	% Change
General Fund	$ -	$ -	$ 106,320	$ 106,320	100.0%
Total	$ -	$ -	$ 106,320	$ 106,320	100.0%

Position Summary

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.00	0.50	0.50

[1] Includes adjustments through December 2014

* Excludes Capital Construction expenditures

Revenue Summary

House Bill 3230 appropriates $106,320 General Fund to the Oregon Health Authority to establish a position to carry out the provisions of the bill.

Summary of Human Services Subcommittee Action

House Bill 3230 requires registration of community-based structured housing, which is defined as congregate housing, excluding residential care or treatment where services and supports are provided to assist residents who have mental, emotional, behavioral or substance abuse disorders. The bill authorizes the Oregon Health Authority and the Department of Human Services to establish standards and review processes for these facilities.

Addictions and Mental Health

The Subcommittee approved the appropriation of $106,320 General Fund to the Oregon Health Authority to establish one half-time permanent Compliance Specialist 3 position (0.50 FTE) to oversee the registration and inspection of the newly defined community-based structured housing facilities.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 3230-B

Oregon Health Authority
Art Ayre - 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
SUBCOMMITTEE RECOMMENDATION									
SCR 020-05 - Addictions and Mental Health									
Personal Services	$ 82,999	$ -	$ -	$ -	$ -	$ -	$ 82,999	1	0.50
Services and Supplies	$ 23,321	$ -	$ -	$ -	$ -	$ -	$ 23,321		
TOTAL SUBCOMMITTEE RECOMMENDATION	$ 106,320	$ -	$ -	$ -	$ -	$ -	$ 106,320	1	0.50

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: HB 3243 C**

BUDGET REPORT AND MEASURE SUMMARY **CARRIER: Sen. Bates**

Joint Committee On Ways and Means

Action: Do Pass With Amendments To The B-Eng Bill. (Printed C-Eng.)
Action Date: 06/19/15
Vote:
Senate
Yeas: 11 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Whitsett
Exc: 1 - Winters
House
Yeas: 12 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Whitsett, Williamson
Prepared By: Art Ayre, Department of Administrative Services
Reviewed By: John Terpening, Legislative Fiscal Office

Agencies: Oregon Health Authority; Mortuary and Cemetery Board
Biennium: 2015-17

Budget Summary*

	2013-15 Legislatively Approved Budget	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				$ Change	% Change
Oregon Health Authority					
Other Funds Limited	$ -	$ -	$ (378,000)	$ (378,000)	100.0%
Oregon Mortuary and Cemetery Board					
Other Funds Limited	$ -	$ -	$ 378,000	$ 378,000	100.0%
Total	$ -	$ -	$ -	$ -	

Position Summary

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

Revenue Summary

House Bill 3243 shifts $378,000 Other Funds fee revenue from the Oregon Health Authority to the Oregon Mortuary and Cemetery Board. The monies in the fund are created through the filing fee paid by funeral service practitioners for each initial filing of a death record in Oregon. The filing fee is $20, $14 of which funds the OMCB and $6 that goes to the indigent disposition fund which reimburses funeral practitioners for the disposition of indigent remains.

Summary of Human Services Subcommittee Action

House Bill 3243 shifts the indigent disposition fund program from the Oregon Health Authority (OHA) to the Oregon Mortuary and Cemetery Board (OMCB). OMCB, through an interagency agreement, is already set to begin managing these funds for OHA in the 2015-17 biennium. OMCB's budget bill (House Bill 5023) included an FTE increase and reclassification of a permanent position to administer the fund.
House Bill 3243 officially transfers the program and provides OMCB with additional Other Funds limitation to distribute the funds previously collected and distributed through OHA. It also makes a corresponding decrease in Other Funds limitation for OHA.

Oregon Health Authority
The Subcommittee approved a reduction of $378,000 Other Funds expenditure limitation in the Public Health program.

Oregon Mortuary and Cemetery Board
The Subcommittee approved an increase of $378,000 Other Funds expenditure limitation for the indigent disposition program within the Oregon Mortuary and Cemetery Board.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 3243-C

Various Agencies
Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
SUBCOMMITTEE ADJUSTMENTS									
Oregon Health Authority - Public Health									
Services and Supplies	$ -	$ -	$ (378,000)	$ -	$ -	$ -	$ (378,000)		
SUBCOMMITTEE RECOMMENDATION	$ -	$ -	$ (378,000)	$ -	$ -	$ -	$ (378,000)	0	0.00
SUBCOMMITTEE ADJUSTMENTS									
Oregon Mortuary and Cemetery Board									
Services and Supplies	$ -	$ -	$ 378,000	$ -	$ -	$ -	$ 378,000		
SUBCOMMITTEE RECOMMENDATION	$ -	$ -	$ 378,000	$ -	$ -	$ -	$ 378,000	0	0.00

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: SB 698 B**

BUDGET REPORT AND MEASURE SUMMARY **CARRIER: Rep. Nathanson**

Joint Committee On Ways and Means

Action: Do Pass.
Action Date: 06/19/15
Vote:
House
Yeas: 12 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Whitsett, Williamson
Senate
Yeas: 11 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Whitsett
Exc: 1 - Winters
Prepared By: Art Ayre, Department of Administrative Services
Reviewed By: Kim To, Legislative Fiscal Office

Agency: Oregon Health Authority
Biennium: 2015-17

Budget Summary*

	2013-15 Legislatively Approved Budget[1]	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				$ Change	% Change
General Fund	$ -	$ -	$ 216,365	$ 216,365	100.0%
Total	$ -	$ -	$ 216,365	$ 216,365	100.0%

Position Summary

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.00	1.00	1.00

[1] Includes adjustments through December 2014

* Excludes Capital Construction expenditures

Revenue Summary

Senate Bill 698 appropriates $216,365 General Fund to the Oregon Health Authority to support a position to carry out the provisions of the bill.

Summary of Human Services Subcommittee Action

Senate Bill 698 creates the position of State School Nursing Consultant in the Oregon Health Authority to coordinate and collaborate with the Oregon Department of Education's school nurse specialist in providing leadership and integration in the delivery of nursing services in schools. The bill also establishes the 14-member Task Force on School Nursing charged with examining and recommending sustainable funding sources for school health services. The task force is required to submit a report to an interim Legislative committee by September 15, 2016. The task force sunsets on December 31, 2016. The bill requires the Governor to consider diversity in relation to race, ethnicity, languages, and disability status in appointing members to the task force.

Public Health

The Subcommittee approved the appropriation of $216,365 General Fund to the Oregon Health Authority to establish one permanent position (1.00 FTE) as State School Nursing Consultant. The responsibilities of the Nursing Consultant position mandated by the bill include:

- Coordinating school nursing program activities with public health, social services, environmental, and educational agencies as well as other public and private entities.
- Initiating and coordinating a quality assurance program that includes needs assessment, data collection, and analysis.
- Providing clinical consultation and technical support to school nurses and school nursing programs.
- Monitoring, interpreting, synthesizing, and disseminating information relevant to changes in health care, school nursing practices, laws and regulations, and other legal issues that impact schools.
- Leading the integration of coordinated school health teams.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 698-B

Oregon Health Authority
Art Ayre - 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
SUBCOMMITTEE RECOMMENDATION									
SCR 020-06 - Public Health Division									
Personal Services	$ 179,598	$ -	$ -	$ -	$ -	$ -	$ 179,598	1	1.00
Services and Supplies	$ 36,767	$ -	$ -	$ -	$ -	$ -	$ 36,767		
TOTAL SUBCOMMITTEE RECOMMENDATION	$ 216,365	$ -	$ -	$ -	$ -	$ -	$ 216,365	1	1.00

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: SB 478 B**

BUDGET REPORT AND MEASURE SUMMARY **CARRIER: Rep. Keny-Guyer**

Joint Committee On Ways and Means

Action: Do Pass.
Action Date: 06/24/15
Vote:
House
Yeas: 7 - Buckley, Gomberg, Komp, Nathanson, Rayfield, Read, Williamson
Nays: 4 - Huffman, Smith, Whisnant, Whitsett
Exc: 1 - McLane
Senate
Yeas: 7 - Burdick, Devlin, Monroe, President Courtney, Roblan, Shields, Steiner Hayward
Nays: 5 - Girod, Hansell, Thomsen, Whitsett, Winters
Exc: 1 - Johnson
Prepared By: Art Ayre, Department of Administrative Services
Reviewed By: Kim To, Legislative Fiscal Office

Agency: Oregon Health Authority
Biennium: 2015-17

Budget Summary

	2013-15 Legislatively Approved Budget	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				$ Change	% Change
General Fund	$ -	$ -	$ 87,673	$ 87,673	100.0%
Total	$ -	$ -	$ 87,673	$ 87,673	100.0%

Position Summary

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.00	0.38	0.38

Revenue Summary

Senate Bill 478 appropriates $87,673 General Fund to the Oregon Health Authority (OHA) to carry out the provisions of the bill.

Summary of Human Services Subcommittee Action

Senate Bill 478 establishes the "Toxic-Free Kids Act" requiring OHA to establish and maintain on its website a list of designated high priority chemicals of concern for children's health used in children's products and to periodically review and revise the list.

Public Health

The Subcommittee recommended approval of $87,673 General Fund and one permanent full-time Program Analyst 2 position (0.38 FTE) for the OHA Public Health program to establish and maintain on its website a list of designated high priority chemicals of concern for children's health used in children's products and to periodically review and revise the list.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 478-B

Oregon Health Authority
Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
SUBCOMMITTEE RECOMMENDATION									
SCR 020-06 - Public Health									
Personal Services	$ 57,718	$ -	$ -	$ -	$ -	$ -	$ 57,718	1	0.38
Services and Supplies	$ 29,955	$ -	$ -	$ -	$ -	$ -	$ 29,955		
TOTAL SUBCOMMITTEE RECOMMENDATION	$ 87,673	$ -	$ -	$ -	$ -	$ -	$ 87,673	1	0.38

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: SB 5526 A**

BUDGET REPORT AND MEASURE SUMMARY **CARRIER: Rep. Nathanson**

Joint Committee On Ways and Means

Action: Do Pass.
Action Date: 06/26/15
Vote:
House
Yeas: 7 - Buckley, Gomberg, Komp, Nathanson, Rayfield, Smith, Williamson
Nays: 2 - Huffman, Whisnant
Exc: 3 - McLane, Read, Whitsett
Senate
Yeas: 8 - Burdick, Devlin, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Winters
Nays: 4 - Girod, Hansell, Thomsen, Whitsett
Prepared By: Art Ayre and Tamara Brickman, Department of Administrative Services
Reviewed By: Linda Ames, Legislative Fiscal Office

Agency: Oregon Health Authority
Biennium: 2015-17

Budget Summary*

	2013-15 Legislatively Approved Budget[1]	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				$ Change	% Change
General Fund	$ 1,864,374,513	$ 2,792,538,727	$ 2,042,374,788	$178,000,275	9.5%
General Fund Capital Improvements	$ 679,238	$ 699,615	$ 699,615	$20,377	3.0%
General Fund Debt Service	$ 68,941,780	$ 69,678,258	$ 69,678,258	$736,478	1.1%
Lottery Funds	$ 10,592,532	$ 10,923,154	$ 11,292,564	$700,032	6.6%
Other Funds Limited	$ 4,165,379,769	$ 2,869,893,521	$ 5,676,172,603	$1,510,792,834	36.3%
Other Funds Capital Improvements	$ -	$ -	$ 699,615	$699,615	100.0%
Other Funds Debt Service	$ 8,372,432	$ 50,000	$ 50,000	($8,322,432)	-99.4%
Other Funds Nonlimited	$ 1,904,711,565	$ 1,859,287,088	$ 143,500,000	($1,761,211,565)	-92.5%
Federal Funds Limited	$ 9,575,251,558	$ 9,599,471,616	$ 11,403,953,113	$1,828,701,555	19.1%
Federal Funds Nonlimited	$ 102,729,051	$ 102,729,051	$ 102,729,051	$0	0.0%
Federal Funds Debt Service Nonlimited	$ 4,151,016	$ 3,923,972	$ 3,923,972	($227,044)	-5.5%
Total	$ 17,705,183,454	$ 17,309,195,002	$ 19,455,073,579	$1,749,890,125	9.9%
	$ -				

Position Summary

Authorized Positions	4,532	4,530	4,377	-155
Full-time Equivalent (FTE) positions	4,143.41	4,479.45	4,326.96	183.55

[1] Includes adjustments through May 2015

* Excludes Capital Construction expenditures

Revenue Summary

The Oregon Health Authority (OHA) is funded with a mix of General Fund, Lottery Funds, Other Funds and Federal Funds revenues. Most General Fund is used as match to receive Federal Funds. Lottery Funds finance gambling addiction prevention and treatment services. Other Funds revenues support about 30.0 percent of OHA expenditures. These come from a wide variety of sources including tobacco taxes, Medicaid provider assessments, grants, beer and wine taxes, fees, estate collections, health care premiums, third party recoveries, pharmaceutical rebates, and charges for services.

House Bill 2395 continues the hospital assessment for four more years. In 2015-17, this is expected to generate approximately $900.0 million additional Other Funds revenues to be used to help pay for the Oregon Health Plan. These Other Funds will generate about $2.4 billion of federal matching revenues. This budget includes $353.0 million in tobacco tax revenue, used to fund the Oregon Health Plan, tobacco prevention and education programs, and community mental health programs. OHA also receives a total of $122.0 million of the Tobacco Master Settlement Agreement resources. In addition, the 2015-17 budget includes $136.0 million in resources as a result of the federal Designated State Health Programs (DSHP). This is the last two years of federal resources that were included as part of the state's federal waiver approved in 2012 that invested $1.9 billion over five years in health care transformation.

Several fee increases are included in this budget for Public Health. Additional Other Funds revenues of $5.1 million result from fee increases in the Radiation Protection Program, Newborn Screening, Drinking Water Services, Vital Records, and Lead-based Paint Program. The budget is dependent on the passage of Senate Bill 228 which raises fees and statutory fee caps in the Radiation Protection Program, as well as Senate Bill 5527, the fee ratification bill for the agency. Senate Bill 5527 ratifies fee changes adopted administratively during the interim.

During the 2015-17 biennium, the Public Employees Benefit Board and the Oregon Educators Benefit Board are expected to collect a total of $3.3 billion Other Funds revenues from state agencies and educational entities, and use these funds to pay premiums and provide health insurance for members.

Summary of Human Services Subcommittee Action

The Oregon Health Authority (OHA) was created in the 2009 Legislative Session to bring most health-related programs into a single agency to maximize its purchasing power and to contain rising health care costs statewide. OHA is overseen by the Oregon Health Policy Board. OHA's mission is to help people and communities achieve optimum physical, mental and social well-being through partnerships, prevention, and access to quality, affordable health care. OHA has adopted the triple aim of improving health, increasing quality and lowering costs of care to achieve its mission. Programs provide medical coverage to low-income individuals and families, and to public employees; offer treatment services to persons with mental illness, alcohol or drug addictions; provide supports for Oregonians with disabilities; and regulate the state's public health system.

The Joint Committee on Ways and Means Human Services Subcommittee heard agency and public testimony on the agency's budget over the course of several months. The Subcommittee approved a budget for the Oregon Health Authority of $2,112,752,661 General Fund, $11,292,564 Lottery Funds, $5,676,922,218 Other Funds, $11,403,953,113 Federal Funds, $143,500,000 Other Funds Nonlimited, and $106,653,023 Federal Funds Nonlimited, for a total funds budget of $19,455,073,579 and 4,377 positions (4,326.96 FTE). This is 9.2 percent General Fund and 9.9 percent total funds higher than the 2013-15 Legislatively Approved Budget. Total funds increased $1.75 billion over the 2013-15 level. This is largely a result of the expansion of health coverage under Medicaid to all persons under 138 percent of the federal poverty level, effective January 2014. Services for most of these new clients are currently being funded with 100 percent Federal Funds. The state will pay five percent of those costs starting January 1, 2017, for the last six months of the biennium.

Health care costs in the Oregon Health Plan are capped at an increase of 3.4 percent per person per year during the 2015-17 biennium, based on Oregon's current federal waiver. Those increases are fully funded in this budget. The recommended budget makes additional investments for community mental health and addiction treatment services. In addition, funding is provided to open four of the six wards at the Junction City state hospital facility.

The Subcommittee reviewed the packages used to build the Governor's Budget and the agency's repricing ("reshoot") adjustments for caseload, cost-per-case, and other changes since the Governor's Budget was developed. Also included in the Subcommittee's recommended budget are

Emergency Board actions taken in the 2013-15 interim that have an impact on the agency's 2015-17 budget. These include the September and December 2014 Emergency Board rebalance adjustments.

A more detailed description of major changes for each program area follows.

Medical Assistance Programs

Medical Assistance Programs deliver health services to over one million people, primarily through the Oregon Health Plan which includes both Medicaid and the Children's Health Insurance Program (CHIP). The programs provide a system of comprehensive health services to qualifying low-income Oregonians and their families to improve their health status and promote independence.

The Subcommittee approved a total funds budget of $13,685,020,625, including $1,101,730,078 General Fund, $1,890,979,987 Other Funds, $10,692,310,560 Federal Funds and 516 positions (507.35 FTE). The total funds budget is 14.6 percent higher than the 2013-15 Legislatively Approved Budget. This is primarily the result of the continuation of the Affordable Care Act expansion of health coverage under Medicaid to all persons under 138 percent of the federal poverty level. Over 400,000 Oregonians have health care coverage through the Oregon Health Plan since the expansion. Services for most of these new clients are currently being paid funded with 100 percent federal funds. The state will pay five percent of those costs starting January 1, 2017, for the last six months of the biennium. The General Fund budget is 10.0 percent higher than the 2013-15 Legislatively Approved Budget.

Health care costs continue to be capped at 3.4 percent per person per year. Those increases are fully funded in this budget. The recommended budget includes the continuation of the current hospital assessment, which was scheduled to sunset in September of 2015, at the base rate of 5.3 percent per House Bill 2395 (2015). The rate will float in order to maintain equilibrium between revenues and allowable expenditures. The base rate includes a 1.0 percent assessment, to create the Hospital Transformation Pool, splitting the revenues in the pool between the hospitals based on their achievement of performance metrics, and coordinated care organizations based on recommendations from the OHA metrics and scoring committee. The budget also includes $145 million of hospital assessment revenues that are expected to be left at the end of 2013-15 and will be carried forward for the 2015-17 biennium. The Subcommittee directed the following budget note related to the hospital assessment:

> **Budget Note:**
> The budget for the Medical Assistance Programs includes a consensus product developed with stakeholders, the Governor's Office and the Legislature. As part of the funding package, the Legislature passed HB 2395 to renew the hospital provider assessment with the assumption that the base rate for the provider assessment would be 5.3%. The base rate shall only be adjusted during the 2015-17 and 2017-19 biennia in accordance with Section 2, chapter 736, Oregon Laws 2003, as amended by section 1, chapter 780, Oregon Laws 2007, section 51, chapter 828, Oregon Laws 2009, section 17, chapter 867, Oregon Laws 2009, section 2, chapter 608, Oregon Laws 2013 and HB 2395. The budget has made assumptions about the other funds and federal funds limitations to assure the program continues to operate as it has and stays within the state and federal requirements.

The budget includes $101.8 million in Tobacco Master Settlement Agreement revenues, which is a decrease of $22.2 million from the current service level. This is a result of a reduction in total resources expected in 2015-17, as well as transfers of these revenues to community mental health programs, tobacco prevention and cessation programs, and physical education programs.

The Subcommittee approved Package 091: December 2014 Rebalance, reflecting adjustments made as part of the 2013-15 rebalance that have impacts on the 2015-17 biennium. This package reduces General Fund by $16.7 million and total funds by $128.9 million. Costs per case are reduced by $31.0 million General Fund and $217.4 million total funds. The costs per case reduction is partially offset by an increase for Federally Qualified Health Centers as some clinics have moved to a prospective payment method, creating temporary additional costs during the transition period. This package also includes costs that certain coordinated care organizations must pay as part of the Affordable Care Act.

The Subcommittee recommended budget incorporates agency "reshoot" adjustments including changes to caseload costs related to the Spring 2015 caseload forecast, additional drug rebate revenues, additional tobacco tax revenues, and changes resulting from the federal match rate. Caseload costs were reduced by $83.9 million General Fund, but increased by $539.3 million Federal Funds as the expansion caseload increases. The Subcommittee acknowledged that the level of uncertainty regarding these caseload forecasts and funding assumptions is greater than it has been in the past.

The Subcommittee approved an increase of $12.4 million General Fund and $80.1 million totals funds for the Modified Adjusted Gross Income Transfer Project, to develop a Medicaid eligibility system in Oregon. Of this total, about $3.7 million General Fund is related to completing the information technology transfer from the Kentucky system to Oregon, and $8.7 million is for eligibility staff and IT costs related to continuing the current hybrid process of enrolling members and doing redeterminations. The Subcommittee approved the following budget note:

> **Budget Note:**
> The Oregon Health Authority shall put together a work group to compile a list of the current issues of concern in regards to the functioning of the Medicaid Management Information System (MMIS) as it relates to other systems and interfaces, and to make recommendations on resolving those issues. The group shall include staff from the agency, three coordinated care organizations, three health care providers, and the Legislative Fiscal Office. By November 2015, the agency will report the findings of the group, and the resolution or expected resolution of the issues, to the Joint Interim Committee on Ways and Means.

The partial restoration of dental services is approved ($3.9 million General Fund and $30.0 million Federal Funds) to cover crowns for adults, dentures when dentally appropriate and replacement every ten years, and partial dentures with replacement every five years. The budget includes $1.1 million General Fund and $4.3 million total funds for three additional Federally Qualified Health Centers to transition over to the alternative payment method starting July 1, 2015. At its first rebalance, the agency should report on costs related to the transition of Federally Qualified Health Centers to the new methodology, as well as future plans for transitioning additional Centers.

Also included is $1.0 million total funds to cover the anticipated fee for service costs related to Psychiatric Emergency Services. This is a new service delivery model being developed by a consortium of Portland area hospitals, and is expected to start near the end of the 2015-17 biennium.

Public Employees' Benefit Board

The Public Employees' Benefit Board (PEBB) designs, contracts for and administers health plans, group insurance policies, and flexible spending accounts for state employees and their dependents, representing over 136,000 Oregonians. The Subcommittee approved an Other Funds budget of $1,782,969,295 and 22 positions (21.50 FTE). This is a 9.7 percent increase over the 2013-15 legislatively approved funding level.

The budget continues to cap PEBB's total core program expenditure growth at 3.4 percent per employee per year, consistent with the Oregon Educators Benefit Board and the Oregon Health Plan. The Other Funds expenditure limitation has been adjusted to reflect the latest caseload projection and premium expenditure data, and includes a modest increase in the number of employees expected to be covered by the program during 2015-17. Expenditure limitation is also included for premiums on optional insurance such as life, disability, and long-term care insurance, for which members generally pay the full premium themselves. The Subcommittee expressed its expectation in the following budget note:

> **Budget Note:**
> The budget for the Public Employees' Benefit Board has been limited to annual per employee growth of 3.4 percent. It is the legislature's expectation that PEBB will meet these limits by holding health plans accountable to change the health care delivery system to promote better health, better care and lower costs, and not by shifting costs to PEBB members.

The Subcommittee also approved Package 091: December 2014 Rebalance, adding three permanent positions (3.00 FTE) and $625,196 Other Funds expenditure limitation to recognize the 2015-17 biennium impacts of the agency's December 2014 rebalance plan. The increased staff will address the additional workload of managing more plans with the recent plan contracts and of implementing House Bill 2279 (2013), which allows local governments to participate in PEBB. They will also bring the administration of the gym subsidy program in-house.

Oregon Educators Benefit Board

The Oregon Educators Benefit Board (OEBB) administers medical, dental, vision and other benefits for Oregon's school districts, community colleges, and education service districts. With the passage of House Bill 2279 (2013), cities, counties and special districts also became eligible to join the OEBB benefits program effective January 2014. OEBB designs and maintains a full range of benefit plans for eligible and participating entities to offer their employees and early retirees. The Subcommittee approved an Other Funds budget of $1,557,630,028 and 25 positions (25.00 FTE). This is a 5.0 percent decrease from the 2013-15 legislatively approved total funds level. The reason for the decrease is that the limitation provided for the 2013-15 biennium was significantly higher than will actually be spent. The 2015-17 recommendation is calculated off actual costs for the 2014-15 plan year.

The Subcommittee recommended budget for OEBB eliminates all Other Funds Nonlimited authority, and instead moves all expenditure limitation to Other Funds Limited. The budget also caps OEBB's total core program expenditure growth at 3.4 percent per employee per year , consistent with the Public Employees' Benefit Board and the Oregon Health Plan. The Other Funds expenditure limitation has been adjusted to reflect the latest caseload projection and premium expenditure data, and includes a modest increase in the number of employees expected to be covered by the program during 2015-17. Expenditure limitation is also included for premiums on optional insurance such as life, disability, and long-term care insurance, for which members generally pay the full premium themselves. The Subcommittee clarified that the 3.4 percent cap is relevant only to the total core program expenditures for OEBB, and that individual benefit plans, or costs to individual members, could go up either more or less than the 3.4 percent per year. The Subcommittee expressed its expectation in the following budget note:

> **Budget Note:**

The budget for the Oregon Educators Benefit Board has been limited to annual per employee growth of 3.4%. It is the legislature's expectation that OEBB will meet these limits by holding health plans accountable to change the health care delivery system to promote better health, better care and lower costs, and not by shifting costs to OEBB members.

The Subcommittee approved Package 091: December 2014 Rebalance, which adds $287,548 Other Funds expenditure limitation and one new permanent position (1.00 FTE) to address workload related to implementation of House Bill 2279 (2013), allowing cities, counties, and other municipalities to participate in OEBB or PEBB, as well as work to align OEBB with the coordinated care model.

Package 409 Transparency and Engagement, was also approved. It adds $450,000 Other Funds expenditure limitation to continue to allow OEBB to make its online plan selection tool available to employees and allow for enhancements, following the end of the grant that funded this tool.

Addictions and Mental Health and Capital Improvements

The Addictions and Mental Health (AMH) program provides treatment services to Oregonians at risk of developing or who have been diagnosed with any behavioral health disorder. Services are delivered through community non-profit providers, county mental health agencies, coordinated care organizations, as well as the state hospital system. The goal is to deliver behavioral health care in the least restrictive and most integrated setting possible.

The Subcommittee approved budget for AMH and Capital Improvements is $1,174,055,369 total funds, including $783,464,530 General Fund, $11,292,564 Lottery Funds, $107,408,460 Other Funds, $271,889,815 Federal Funds, and 2,392 positions (2,384.47 FTE). This is a total funds increase of 13.5 percent and a General Fund increase of 14.0 percent compared to AMH's 2013-15 Legislatively Approved Budget. Most of this increase comes from roll-up costs from the prior biennium program increases as well as 2015-17 biennium investments in community mental health and addiction services.

The Subcommittee approved Package 081: September 2014 Emergency Board Actions, which continues funding for regional mental health specialist coordinators to coordinate services between the mental health system and the seniors system. The package increases General Fund by $6.2 million and adds one permanent position (1.00 FTE).

Package 091: December 2014 Rebalance, was also approved. It continues General Fund to fill a budget gap in the Oregon State Hospital budget as well as Federal Funds related to a federal grant. The package increases General Fund by $23.5 million and increases total funds by $50.3 million.

The Subcommittee noted the recommended budget includes $44.0 million of state resources to fund the roll-up of all on-going program investments made in community mental health programs in 2013-15, and caseload increases and inflation included in the current service level. It also includes $8.7 million General Fund for caseload growth associated with the Spring 2015 caseload forecast. The budget includes new investments of $22.2 million in community mental health treatment services ($17.6 million General Fund and $4.6 million of tobacco tax resources). This includes approximately $7.0 million for crisis service, including mobile crisis services; $6.5 million for jail diversion; $7.0 million for supported housing (rental assistance) and peer-delivered services; and $1.5 million to expand the Oregon Psychiatric Access Line for Kids (OPAL-K). Some of these services may be provided through the Oregon Health Plan and through coordinated care organizations, in which case additional federal funding may be leveraged.

Another $6.0 million General Fund is included in the budget for addictions treatment and recovery support, including increased capacity for detoxification/withdrawal management, sobering facilities, and peer delivered services. A total of $275,000 of this funding should be set aside for the Douglas County crisis center/sobering facility, to provide one-time support to get this program up and running. Another $500,000 is intended to be available for the Grants Pass sobering facility, to provide one-time support for start-up costs. As described above, additional federal funding may be leveraged.

A number of the new investments in both community mental health and addictions are intended to reduce the number of individuals with mental illness and/or substance abuse disorders from entering the criminal justice system. The agency will develop a plan to invest these resources, taking into account current needs and gaps in services, and readiness of programs to make these investments. Priority should be given to proposals that use community partnerships that include cost sharing, including public safety agencies and coordinated care organizations. Priority should also be given to proposals that address the longer run sustainability of the program so that state funding can be used for new programs in the future. The Subcommittee included the following budget note:

> **Budget Note:**
> The Oregon Health Authority will report to the Joint Interim Committee on Ways and Means in September 2015 on their plan for investing the new resources in mental health and addictions, the process being used, and progress to date. The agency will report again during the 2016 legislative session on the implementation of the program investments, including details of the specific program investments, how these investments address gaps in the current system, community partnerships supporting these investments, progress to date, and expected or actual outcomes.

The Subcommittee recommended budget includes funding to open four wards at the Junction City campus. This will increase the total bed capacity of the Oregon State Hospital (OSH) by 38 over the capacity during the last year. This is expected to reduce the wait list for civilly committed patients. The budget continues the closure of the Neuro-Geriatric unit on the Salem campus of OSH. An increase in federal Medicare revenues of $4.0 million was approved, as a result of recent efforts at OSH to increase Medicare billings and to pursue Medicare certification for additional wards. The budget also includes an increase of $10 million General Fund for OSH cost allocation to ensure compliance with federal requirements. This number is preliminary, and the agency expects to return with updated information in their first rebalance for 2015-17. The Subcommittee also approved a realignment of positions for Junction City, which is budget neutral. The Subcommittee directed the following budget note:

> **Budget Note:**
> The Oregon Health Authority will report to the 2016 legislative session regarding the problem of “boarding” of patients with mental illness in hospital emergency departments while patients wait for a bed in an appropriate setting. The report will contain a thorough description of the system and process as it works now and why, including relevant statutes and reimbursements. It will also include data to describe the magnitude of the problem. Finally, the report will contain an analysis of the reasons for the “boarding”, such as gaps in necessary services within the system, and proposals for potential solutions.

The Subcommittee approved Package 401-1 Aid and Assist, which adds restoration services at the community level to reduce the number of people committed to the Oregon State Hospital for these services. These are services required to restore an individual's ability to aid and assist in their own defense, before the person can stand trial. The package is a companion to House Bill 2420 (2015). The package increases General Fund by $4.1 million and establishes one permanent position (0.83 FTE).

Package 401-2 Mental Health Certification, was also approved, which allows AMH to centralize regulatory responsibilities for the oversight of community mental health programs. The package increases General Fund by $859,620 and establishes four permanent positions (4.00 FTE).

Finally, the Subcommittee approved Package 501 Measure 91 Implementation, providing expenditure limitation for mental health and addictions treatment in anticipation of revenue from the sale of recreational marijuana. This revenue would be available for addiction prevention and treatment services. The package increases Other Funds expenditure limitation by $2.3 million and establishes two permanent positions (2.00 FTE).

Public Health

Public Health provides a diversity of services to improve and protect the health of all Oregonians, and to support the goals of Oregon's health care transformation. The program manages more than 100 prevention-related programs that halt the spread of disease, protect against environmental hazards, and promote healthy behaviors. Much of the work is carried out by local county health departments which are supported in their work by Public Health staff. By working to address behavioral and social drivers of health, public health programs can complement and amplify investments in other health care programs.

The Subcommittee approved a budget for Public Health of $600,612,201 total funds, including $39,953,457 General Fund, $164,612,028 Other Funds, $40,000,000 Other Funds Nonlimited, $253,317,665 Federal Funds, $102,729,051 Federal Funds Nonlimited and 721 positions (703.04 FTE). Total funds are 14.5 percent higher than the 2013-15 Legislatively Approved Budget, primarily the result of the transfer of the CAREAssist program from Medical Assistance Programs to Public Health. The General Fund budget is 0.7 percent lower than the 2013-15 level, partially because of lower program costs resulting from more Oregonians having insurance, and partially because of the use of excess medical marijuana revenues in lieu of General Fund.

The Subcommittee approved Package 070 Revenue Shortfalls, which reduces expenditure limitation by $2.1 million Other Funds and $0.2 million Federal Funds and six positions (6.00 FTE) to show the effect of revenue shortfalls that would occur if the fee increases in packages 407 and 408 are not approved.

The Subcommittee also approved Package 081, September 2014 Emergency Board Actions, and Package 091: December 2014 Rebalance, which incorporate the 2015-17 effects of actions taken during 2013-15 Emergency Board meetings. This includes additional staffing for medical marijuana dispensaries program as well as expenditure limitation related to federal grants and the Women, Infants, and Children (WIC) program.

The CCare budget was reduced to account for lower caseload as a result of more Oregonians having health insurance. General Fund was reduced by $1,275,000 and $1,525,000 of medical marijuana revenues expected to be left over at the end of 2013-15 was removed. Their final budget includes $1.65 million General Fund and $2.82 million Other Funds related to medical marijuana revenues, as well as federal matching revenues. This will fully fund their current caseload of about 3,000 enrollments per month. The budget for the Breast and Cervical Cancer Screening

Program was reduced by $700,000 General Fund, which is expected to be adequate to fund their current caseload of about 225 clients per month. The Subcommittee noted that if either of these caseloads increases, the programs are expected to request additional funding in an agency rebalance later in the biennium. The medical marijuana revenues removed from CCare are used to replace General Fund in other programs in Public Health.

The Subcommittee approved $500,000 General Fund for planning and assessment activities related to the implementation of House Bill 3100 and the modernization of public health. The recommended budget adds funding for the Patient Safety Commission to support additional outreach and education activities, and adds $1.0 million General Fund for additional emergency preparedness and response. It restores the Tobacco Master Settlement Agreement funds which had been removed in the Governor's Budget, for tobacco prevention and cessation programs ($4.1 million). Other Funds expenditure limitation was increased for the Tobacco Prevention and Education Program as a result of the May 2015 tobacco tax forecast. This program is funded at a total of $15.6 million for the biennium.

The Subcommittee approved several fee increases. Package 407 Radiation Protection Fee and Cap Increase, was approved for $0.6 million Other Funds expenditure limitation and three permanent positions (3.00 FTE) to replace the position reductions in Package 070. This was supported by fee revenue provided by Senate Bill 228 (2015), which makes statutory changes to radiation protection fees related to tanning beds, x-ray registration, and radioactive materials licensing.

The Subcommittee also approved Package 408 Ratification of Administrative Fee Increases, which increases Other Funds expenditure limitation by $1.4 million and establishes three permanent positions (3.00 FTE) to replace the position reductions in Package 070. This was supported by increases in fees related to radioactive materials licensing and newborn screening test kits specific to tests for severe combined immunodeficiency (SCID) only. The fee increases allow these programs to be maintained at current levels. Senate Bill 5527 (2015) ratifies these fee increases. The recommended budget also increases Other Funds expenditure limitation for fee increases to maintain current program levels for drinking water services ($1.3 million), vital records ($1.7 million), and lead-based paint programs ($147,865).

The recommended budget reduces General Fund and increases Other Funds expenditure limitation to reflect $5 million excess in 2013-15 ending balance resources in the medical marijuana program. These resources will be used in place of General Fund in the per capita distributions to local public health programs. The Subcommittee expressed their expectation that this revenue source will be adequate to fund this program on an on-going basis. If that does not turn out to be the case, General Fund is intended to backfill this program, as well as other programs in Public Health where medical marijuana revenues have been used to replace General Fund. After this adjustment, the medical marijuana program is still expecting a 2013-15 ending balance of slightly over $2.0 million. The Subcommittee also approved Package 501 Measure 91 Implementation, which increases Other Funds expenditure limitation by $419,285 and establishes two permanent positions (2.00 FTE), supported by fee revenue, to accredit labs that will be testing marijuana and marijuana products.

Health Policy Programs

Health Policy Programs (HPP) includes offices providing policy support, technical assistance, and access to health information statistics and tools to all organizations and providers participating in Oregon's health system transformation, including programs within OHA. Together these offices provide services and support focused on achieving the triple aim of better health, better care, and lower costs. Part way through the 2013-15 biennium Health Policy Programs were moved out of Central Services into their own budget unit. Programs included within HPP include the

Office of Health Policy and Research, the Office of Health Analytics, the OHA Transformation Center, the Office of Equity and Inclusion and the Office of Health Information Technology.

The Subcommittee approved a total funds budget of $136,625,596 ($18,710,336 General Fund, $3,029,280 Other Funds, and $114,885,980 Federal Funds) and 130 positions (124.66 FTE). This is a 0.7 percent increase over the 2013-15 Legislatively Approved Budget. The Subcommittee approved the following:

Package 091: December 2014 Rebalance, increasing General Fund by $235,749 and total funds by $444,304. During this rebalance, two permanent positions (2.00 FTE) were added to the Office of Equity and Inclusion for civil rights investigations.

Package 201: Real+D, provides $634,672 General Fund and two permanent positions (2.00 FTE) to design, build and implement a tool to collect, report and analyze data on race, ethnicity, language and disability. The IT Subcommittee held a hearing on this project and referred it back to the Human Services Subcommittee. The Department of Administrative Services is requested to unschedule all but $140,000 of this funding. The Department is expected to report back to the Legislature in the Fall 2015, with a more detailed plan. The agency may then request funds to be re-scheduled based upon that report and given joint approval of the Office of the State Chief Information Officer, Chief Financial Office, and the Legislative Fiscal Office. It is expected that the department will be able to utilize capabilities from the Medicaid eligibility system it is putting into place, rather than designing this program from the ground up.

Package 402-2: Continue Transformation Center, provides $1.0 million General Funds and $2.1 million total funds to continue thirteen existing positions (4.94 FTE). This will continue the work of the Transformation Center by providing funding after the federal State Innovation Model grant ends in September 2016.

Package 402-3: Continue Office of Health Policy and Research, provides $1.4 million General Fund and $2.7 million total funds to continue eight existing positions (3.04 FTE). This package continues to fund the Office of Health Policy and Research, Health Analytics, and the office of the Chief Medical Officer after the federal State Innovation Model grant ends in September 2016.

The Subcommittee expressed their concerns regarding the staffing level of the Office of Equity and Inclusion, indicating that sustainable and adequate staffing in the Office is essential for OHA to meet its equity and inclusion goals. During the first rebalance of the biennium, the agency will report on its agency-wide reorganization and realignment of positions. As part of this, the agency will report specifically on the Office of Equity and Inclusion staffing plan to address the elimination of limited duration positions, identifying functions, priorities, and the alignment of positions within those functions.

Health Licensing Office

The Health Licensing Office (HLO) is a central licensing and regulatory office overseeing multiple health and related professions. This is a new office created within OHA per House Bill 2074 (2013), which transferred the previous Oregon Health Licensing Agency into OHA. The Office operates solely with Other Funds generated from fees. The Subcommittee approved an Other Funds budget of $6,903,295 and 32 positions (32.00 FTE). The Subcommittee approved the transfer of three positions (3.00 FTE) from this division into Central and Shared Services.

Office of Private Health Partnerships

Most of the programs that this Office administered closed during the 2013-15 biennium due to the implementation of the Affordable Care Act. All that remains for 2015-17 is the Oregon Transitional Reinsurance Pool program, which pays the costs for certain high-cost claims incurred through December of 2016. The Subcommittee approved a budget of $701,884 Other Funds and $103,500,000 Other Funds Nonlimited.

Central Services, Shared Services, and State Assessments and Enterprise-wide Costs

Core administrative functions for OHA are divided into three sections. Central Services includes all governance functions specifically for the operation of OHA, such as the director's office, communications, a portion of budget and human resources. Shared Services provides administrative services to both OHA and the Department of Human Services, regardless of where each function is housed. State Assessments and Enterprise-wide Costs includes the budget to pay for central government assessments and usage charges, as well as debt service. Included are state government service charges, risk assessments, State Data Center usage charges, and rent. This budget also includes the funding for Shared Services.

The Subcommittee approved budget is $407,055,286 total funds ($168,894,260 General Fund, $162,687,961 Other Funds, $71,549,093 Federal Funds and $3,923,972 Federal Funds Nonlimited) and 539 positions (528.94 FTE). This is a 3.3 percent decrease from the 2013-15 Legislatively Approved Budget. The budget includes $73.7 million total funds ($69.7 General Fund) for debt service related to the State Hospital Replacement Project. A reduction of $0.8 million General Fund incorporates the savings of assessments and shared services due to the delayed opening of two wards at the Junction City campus of the Oregon State Hospital.

Summary of Performance Measure Action

See attached Legislatively Adopted 2015-17 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5526-A

Oregon Health Authority
Art Ayre -- 503-378-3108 & Tamara Brickman -- 503-378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
2013-15 Legislatively Approved Budget at May 2015 *	$1,933,995,531	$10,592,532	$4,173,752,201	$1,904,711,565	$9,575,251,558	$106,880,067	$17,705,183,454	4,532	4,143.41
2015-17 Current Service Level (CSL)*	$2,862,916,600	$10,923,154	$2,869,943,521	$1,859,287,088	$9,599,471,616	$106,653,023	$17,309,195,002	4,530	4,479.45
SUBCOMMITTEE ADJUSTMENTS (from CSL)	-$750,163,939	$369,410	$2,806,978,697	-$1,715,787,088	$1,804,481,497	$0	$2,145,878,577	-153	-152.49
TOTAL ADJUSTMENTS	-$750,163,939	$369,410	$2,806,978,697	-$1,715,787,088	$1,804,481,497	$0	$2,145,878,577	-153	-152.49
SUBCOMMITTEE RECOMMENDATION *	$2,112,752,661	$ 11,292,564	$ 5,676,922,218	$ 143,500,000	$ 11,403,953,113	$ 106,653,023	$19,455,073,579	4,377	4,326.96
% Change from 2013-15 Leg Approved Budget	9.2%	6.6%	36.0%	-92.5%	19.1%	-0.2%	9.9%		
% Change from 2015-17 Current Service Level	-26.2%	3.4%	97.8%	-92.3%	18.8%	0.0%	12.4%		

*Excludes Capital Construction Expenditures

Oregon Health Authority - Medical Assistance Programs
Tamara Brickman -- 503-378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
2013-15 Legislatively Approved Budget at May 2015 *	$1,001,520,202	$0	$2,180,918,663	$0	$8,760,150,153	$0	$11,942,589,018	498	489.85
2015-17 Current Service Level (CSL)*	$1,852,327,029	$0	$886,015,451	$0	$8,909,693,375	$0	$11,648,035,855	528	519.85
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 020-01 - Medical Assistance Programs									
Pkg 091: December 2014 Rebalance									
FQHC cost increases/new methodology	$6,300,000	$0	$0	$0	$16,620,629	$0	$22,920,629		
Health insurer fee increase	$4,616,550	$0	$0	$0	$19,253,924	$0	$23,870,474		
Cost per case impact	-$31,000,287	$0	-$17,789,055	$0	-$168,569,079	$0	-$217,358,421		
Transfers	$3,413,405	$0	$131,024	$0	$38,116,021	$0	$41,660,450	-1	-1.00
Pkg 090: Analyst adjustments									
Continue hospital assessment	-$400,100,000	$0	$854,130,207	$0	$1,218,806,449	$0	$1,672,836,656		
Hospital assessment split transformation pool	-$68,000,000	$0	$68,000,000	$0	$0	$0	$0		
Use carryover hospital assessment	-$125,000,000	$0	$125,000,000	$0	$0	$0	$0		
Use all Tobacco Master Settlement Agreement (TMSA)	-$13,000,000	$0	$13,000,000	$0	$0	$0	$0		
IMD increased match - A&D residential	-$2,000,000	$0	$0	$0	$2,000,000	$0	$0		
Fund Psychiatric Emergency Services	$263,000	$0	$0	$0	$737,000	$0	$1,000,000		
Pkg 801: LFO Analyst Adjustments									
TMSA adjustments	$35,240,000	$0	-$35,240,000	$0	$0	$0	$0		
MAGI Transfer Project/eligibility staff	$12,444,201	$0	$0	$0	$67,610,638	$0	$80,054,839		
Caseload forecast - Spring 2015	-$83,900,460	$0	-$13,826,338	$0	$539,336,613	$0	$441,609,815		
Additional drug rebate revenue	-$10,000,000	$0	$10,000,000	$0	$0	$0	$0		
FMAP match rate change	-$22,915,342	$0	$0	$0	$22,915,342	$0	$0		
Additional hospital assessment carryforward	-$20,000,000	$0	$20,000,000	$0	$0	$0	$0		
Add'l OF revenue, including hospital assess, drug rebate	-$26,000,000	$0	$26,000,000	$0	$0	$0	$0		
Partially restore dental benefits	$3,919,181	$0	$0	$0	$29,990,506	$0	$33,909,687		
Three add'l FQHCs to alternative payment methodology	$1,103,000	$0	$0	$0	$3,215,000	$0	$4,318,000		
Tobacco tax forecast - May 2015	-$14,088,000	$0	$14,088,000	$0	$0	$0	$0		
Technical adjustments and transfers	-$1,916,225	$0	-$58,529,976	$0	-$7,438,905	$0	-$67,885,106	-11	-11.50
Adjustment to CSL for Attorney General rates	$24,026	$0	$674	$0	$23,047	$0	$47,747		
TOTAL ADJUSTMENTS	-$750,596,951	$0	$1,004,964,536	$0	$1,782,617,185	$0	$2,036,984,770	-12	-12.50
SUBCOMMITTEE RECOMMENDATION *	$1,101,730,078	$0	$1,890,979,987	$0	$10,692,310,560	$0	$13,685,020,625	516	507.35
% Change from 2013-15 Leg Approved Budget	10.0%	0.0%	-13.3%	0.0%	22.1%	0.0%	14.6%		
% Change from 2015-17 Current Service Level	-40.5%	0.0%	113.4%	0.0%	20.0%	0.0%	17.5%		

*Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5526-A

Oregon Health Authority - Public Employees' Benefit Board
Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
2013-15 Legislatively Approved Budget at May 2015 *	$0	$0	$1,626,049,752	$0	$0	$0	$1,626,049,752	20	19.50
2015-17 Current Service Level (CSL)*	$0	$0	$1,644,093,309	$0	$0	$0	$1,644,093,309	19	18.50
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 020-02 -Public Employees Benefit Board									
Package 091: December 2014 Rebalance	$0	$0	$625,196	$0	$0	$0	$625,196	3	3.00
Package 801: LFO Analyst Adjustments									
Update budget to latest data	$0	$0	$138,239,179	$0	$0	$0	$138,239,179	0	0.00
Adjustment to CSL for Attorney General rates	$0	$0	$11,611	$0	$0	$0	$11,611	0	0.00
TOTAL ADJUSTMENTS	$0	$0	$138,875,986	$0	$0	$0	$138,875,986	3	3.00
SUBCOMMITTEE RECOMMENDATION *	$0	$0	$1,782,969,295	$0	$0	$0	$1,782,969,295	22	21.50
% Change from 2013-15 Leg Approved Budget	0.0%	0.0%	9.7%	0.0%	0.0%	0.0%	9.7%		
% Change from 2015-17 Current Service Level	0.0%	0.0%	8.4%	0.0%	0.0%	0.0%	8.4%		

*Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5526-A

Oregon Health Authority - Oregon Educators Benefit Board
Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
2013-15 Legislatively Approved Budget at May 2015 *	$ -	$ -	$11,692,737	$1,628,294,000	$ -	$ -	$1,639,986,737	24	24.00
2015-17 Current Service Level (CSL)*	$ -	$ -	$11,514,734	$1,715,787,088	$ -	$ -	$1,727,301,822	22	22.00
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 020-03 - Oregon Educators Benefit Board									
Package 091: December 2014 Rebalance	$ -	$ -	$287,548	$0	$ -	$ -	$287,548	1	1.00
Package 090: Switch Nonlimited to Limited expenditures	$ -	$ -	$1,544,625,177	-$1,715,787,088	$ -	$ -	-$171,161,911		
Package 409: Transparency and engagement	$ -	$ -	$450,000	$0	$ -	$ -	$450,000		
Package 801: LFO Analyst Adjustments									
Transfers	$ -	$ -	$713,113	$0	$ -	$ -	$713,113	2	2.00
Adjustment to CSL for Attorney General rates	$ -	$ -	$39,456	$0	$ -	$ -	$39,456		
TOTAL ADJUSTMENTS	$ -	$ -	$1,546,115,294	-$1,715,787,088	$ -	$ -	-$169,671,794	3	3.00
SUBCOMMITTEE RECOMMENDATION *	$ -	$ -	$1,557,630,028	$0	$ -	$ -	$1,557,630,028	25	25.00
% Change from 2013-15 Leg Approved Budget	0.0%	0.0%	13221.3%	-100.0%	0.0%	0.0%	-5.0%		
% Change from 2015-17 Current Service Level	0.0%	0.0%	13427.3%	-100.0%	0.0%	0.0%	-9.8%		

*Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5526-A

Oregon Health Authority - Addictions & Mental Health and Capital Improvements
Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
2013-15 Legislatively Approved Budget at May 2015 *	$687,076,413	$10,592,532	$63,724,126	$0	$272,972,802	$0	$1,034,365,873	2,506	2,236.55
2015-17 Current Service Level (CSL)*	$783,436,863	$10,923,154	$65,399,843	$0	$255,017,555	$0	$1,114,777,415	2,567	2,565.56
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 020-05 - Addictions and Mental Health Program and									
SCR 088-00 - Capital Improvements									
Pkg 081: September 2014 Emergency Board actions	$6,153,914	$0	$0	$0	$0	$0	$6,153,914	1	1.00
Pkg 091: December 2014 Rebalance	$23,525,083	$0	$3,270,440	$0	$23,476,483	$0	$50,272,006		
Pkg 090: Analyst adjustments									
OSH - continue closure of gero ward	-$8,890,341	$0	$0	$0	-$1,248,671	$0	-$10,139,012	-43	-43.00
Junction City - Keep 3 cottage and 2 wards closed	-$30,169,124	$0	-$911,281	$0	-$860,515	$0	-$31,940,920	-140	-145.92
OSH - Increase Medicare revenues	-$4,000,000	$0	$4,000,000	$0	$0	$0	$0		
Adjustment to Fall caseload pricing	-$2,276,949	$0	$0	$0	-$404,669	$0	-$2,681,618		
Use tobacco tax to pay for rollup	-$12,200,746	$0	$12,200,746	$0	$0	$0	$0		
Lottery forecast - May 2015	$0	$369,399	$0	$0	$0	$0	$369,399		
Technical adjustments and transfers	-$953,780	$0	$699,615	$0	$0	$0	-$254,165		
Pkg 401-1: Aid and Assist evaluations in community	$4,056,901	$0	$0	$0	$0	$0	$4,056,901	1	0.83
Pkg 401-2: Mental health certification	$859,620	$0	$0	$0	$0	$0	$859,620	4	4.00
Pkg 501: Measure 91 Implementation	$0	$0	$2,277,236	$0	$0	$0	$2,277,236	2	2.00
Pkg 801: LFO Analyst Adjustments									
Caseload forecast adjustments	$8,699,328	$0	$0	$0	$0	$0	$8,699,328		
Oregon State Hospital cost allocation	$10,000,000	$0	$0	$0	$0	$0	$10,000,000		
FMAP match rate change	-$136,825	$0	$0	$0	$136,825	$0	$0		
TMSA in place of GF for mental health services	-$16,000,000	$0	$16,000,000	$0	$0	$0	$0		
Additional community mental health services	$17,600,000	$0	$4,562,000	$0	$0	$0	$22,162,000		
Additional A&D treatment services	$6,000,000	$0	$0	$0	$0	$0	$6,000,000		
Technical adjustments and transfers	-$2,313,322	$0	-$107,658	$0	-$4,229,502	$0	-$6,650,482		
Adjustment to CSL for Attorney General rate	$73,908	$11	$17,519	$0	$2,309	$0	$93,747		
TOTAL ADJUSTMENTS	$27,667	$369,410	$42,008,617	$0	$16,872,260	$0	$59,277,954	-175	-181.09
SUBCOMMITTEE RECOMMENDATION *	$783,464,530	$11,292,564	$107,408,460	$0	$271,889,815	$0	$1,174,055,369	2,392	2,384.47
% Change from 2013-15 Leg Approved Budget	14.0%	6.6%	68.6%	0.0%	-0.4%	0.0%	13.5%		
% Change from 2015-17 Current Service Level	0.0%	3.4%	64.2%	0.0%	6.6%	0.0%	5.3%		

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5526-A

Oregon Health Authority - Public Health
Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
2013-15 Legislatively Approved Budget at May 2015 *	$40,217,433	$0	$88,608,993	$40,000,000	$253,022,418	$102,729,051	$524,577,895	726	700.17
2015-17 Current Service Level (CSL)*	$42,682,993	$0	$89,746,717	$40,000,000	$250,561,052	$102,729,051	$525,719,813	703	685.92
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 020-06 - Public Health Program									
Pkg 070: Revenue shortfalls	$0	$0	-$2,073,416	$0	-$151,299	$0	-$2,224,715	-6	-6.00
Pkg 081: September 2014 Emergency Board actions	$0	$0	$1,462,991	$0		$0	$1,462,991	4	4.00
Pkg 091: December 2014 Rebalance	$73,334	$0	$4,087,020	$0	$1,855,702	$0	$6,016,056	4	2.62
Pkg 090: Analyst adjustments	$0	$0	$0	$0		$0	$0		
Remove TMSA for tobacco prevention/cessation	$0	$0	-$4,000,000	$0		$0	-$4,000,000		
CCare budget true-up	-$2,800,000	$0	$0	$0	-$9,900,000	$0	-$12,700,000		
Task force on Future of Public Health	$500,000	$0	$0	$0	$0	$0	$500,000		
Patient Safety Commission	$302,000	$0	$0	$0	$0	$0	$302,000		
Emergency preparedness and response	$1,000,000	$0	$0	$0	$0	$0	$1,000,000		
Pkg 407 Radiation protection fee & cap increase	$0	$0	$593,755	$0	$0	$0	$593,755	3	3.00
Pkg 408 Ratification of administrative fee increases	$0	$0	$1,436,336	$0	$0	$0	$1,436,336	3	3.00
Pkg 501 M91 implementation	$0	$0	$419,285	$0	$0	$0	$419,285	2	2.00
Pkg 801: LFO Analyst Adjustments	$0	$0	$0	$0	$0	$0	$0		
Additional medical marijuana money	-$5,000,000	$0	$5,000,000	$0	$0	$0	$0		
Restore partial GF to CCare	$1,525,000	$0	$0	$0	$0	$0	$1,525,000		
Marijuana money freed up from CCare GF add	-$1,525,000	$0	$1,525,000	$0	$0	$0	$0		
Breast and Cervical Cancer Screening true-up	-$700,000	$0	$0	$0	$0	$0	-$700,000		
Replace TMSA for tobacco prevention/cessation	$0	$0	$4,120,000	$0	$0	$0	$4,120,000		
Fee increases - water, vital records, lead paint	$0	$0	$3,090,007	$0	$0	$0	$3,090,007		
TURA forecast	$0	$0	$494,251	$0	$0	$0	$494,251		
Technical adjustments and transfers	$3,892,137	$0	$58,689,417	$0	$10,944,540	$0	$73,526,094	8	8.50
Adjustment to CSL for Attorney General rate	$2,993	$0	$20,665	$0	$7,670	$0	$31,328		
TOTAL ADJUSTMENTS	-$2,729,536	$0	$74,865,311	$0	$2,756,613	$0	$74,892,388	18	17.12
SUBCOMMITTEE RECOMMENDATION *	$39,953,457	$0	$164,612,028	$40,000,000	$253,317,665	$102,729,051	$600,612,201	721	703.04
% Change from 2013-15 Leg Approved Budget	-0.7%	0.0%	85.8%	0.0%	0.1%	0.0%	14.5%		
% Change from 2015-17 Current Service Level	-6.4%	0.0%	83.4%	0.0%	1.1%	0.0%	14.2%		

*Excludes Capital Construction Expenditures

Oregon Health Authority - Health Policy Programs
Tamara Brickman -- 503-378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
2013-15 Legislatively Approved Budget at May 2015 *	$44,261,932	$0	$3,685,699	$0	$87,670,492	$0	$135,618,123	130	122.87
2015-17 Current Service Level (CSL)*	$15,436,692	$0	$2,971,438	$0	$112,336,464	$0	$130,744,594	126	112.68
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 020-08 - Health Policy Programs									
Pkg 091: December 2014 Rebalance	$235,749	$0	$57,829	$0	$150,726	$0	$444,304	2	2.00
Pkg 201 REaL+D	$634,672	$0	$0	$0	$0	$0	$634,672	2	2.00
Pkg 402-2 Continue Transformation Center	$1,042,899	$0	$0	$0	$1,040,051	$0	$2,082,950	0	4.94
Pkg 402-3 Continue Office of Health Policy and Research	$1,360,029	$0	$0	$0	$1,358,444	$0	$2,718,473	0	3.04
Pkg 801: LFO Analyst Adjustments									
Adjustment to CSL for Attorney General rate	$295	$0	$13	$0	$295	$0	$603		
TOTAL ADJUSTMENTS	$3,273,644	$0	$57,842	$0	$2,549,516	$0	$5,881,002	4	11.98
SUBCOMMITTEE RECOMMENDATION *	$18,710,336	$0	$3,029,280	$0	$114,885,980	$0	$136,625,596	130	124.66
% Change from 2013-15 Leg Approved Budget	-57.7%	0.0%	-17.8%	0.0%	31.0%	0.0%	0.7%		
% Change from 2015-17 Current Service Level	21.2%	0.0%	1.9%	0.0%	2.3%	0.0%	4.5%		

*Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5526-A

Oregon Health Authority - Health Licensing Office
Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
2013-15 Legislatively Approved Budget at May 2015 *	$0	$0	$3,957,176	$0	$0	$0	$3,957,176	35	17.50
2015-17 Current Service Level (CSL)*	$0	$0	$7,374,784	$0	$0	$0	$7,374,784	35	35.00
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 020-07 - Health Licensing Office									
Pkg 801: LFO Analyst Adjustments									
Transfers	$0	$0	-$501,946	$0	$0	$0	-$501,946	-3	-3.00
Adjustments to CSL for Attorney General Rate	$0	$0	$30,457	$0	$0	$0	$30,457		
TOTAL ADJUSTMENTS	$0	$0	-$471,489	$0	$0	$0	-$471,489	-3	-3.00
SUBCOMMITTEE RECOMMENDATION *	$0	$0	$6,903,295	$0	$0	$0	$6,903,295	32	32.00
% Change from 2013-15 Leg Approved Budget	0.0%	0.0%	74.5%	0.0%	0.0%	0.0%	74.5%		
% Change from 2015-17 Current Service Level	0.0%	0.0%	-6.4%	0.0%	0.0%	0.0%	-6.4%		

*Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5526-A

Oregon Health Authority - Office of Private Health Partnerships
Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
2013-15 Legislatively Approved Budget at May 2015 *	$1,744,317	$0	$22,736,127	$236,417,565	$116,408,573	$0	$377,306,582	62	15.67
2015-17 Current Service Level (CSL)*	$0	$0	$701,884	$103,500,000	$0	$0	$104,201,884	0	0.00
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 020-04 - Private Health Partnerships									
TOTAL ADJUSTMENTS	$0	$0	$0	$0	$0	$0	$0	0	0.00
SUBCOMMITTEE RECOMMENDATION *	$0	$0	$701,884	$103,500,000	$0	$0	$104,201,884	0	0.00
% Change from 2013-15 Leg Approved Budget	-100.0%	0.0%	-96.9%	-56.2%	-100.0%	0.0%	-72.4%		
% Change from 2015-17 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		

*Excludes Capital Construction Expenditures

Oregon Health Authority - Central, Shared Services, State Assessments & Enterprise-wide Costs
Tamara Brickman -- 503-378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
2013-15 Legislatively Approved Budget at May 2015 *	$159,175,234	$0	$172,378,928	$0	$85,027,120	$4,151,016	$420,732,298	531	517.30
2015-17 Current Service Level (CSL)*	$169,033,023	$0	$162,125,361	$0	$71,863,170	$3,923,972	$406,945,526	530	519.94
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCRs 010-040, 010-45, 010-050 - Central, Shared Services, SAEC									
Pkg 091: December 2014 Rebalance	$1,292,087	$0	$74,462	$0	$130,089	$0	$1,496,638	2	2.00
Pkg 090: Analyst Adjustments - phase in opening Junction City wards (Keep 3 cottage and 2 wards closed)	-$784,716	$0	$0	$0	$0	$0	-$784,716		
Pkg 801: LFO Analyst Adjustments									
Realign positions in Performance Excellence program	$0	$0	$0	$0	$0	$0	$0	4	4.00
Technical adjustments and transfers	$147,360	$0	$698,708	$0	$171,484	$0	$1,017,552	3	3.00
Adjustment to CSL for AG and state assessments	-$793,494	$0	-$210,570	$0	-$615,650	$0	-$1,619,714		
TOTAL ADJUSTMENTS	-$138,763	$0	$562,600	$0	-$314,077	$0	$109,760	9	9.00
SUBCOMMITTEE RECOMMENDATION *	$168,894,260	$0	$162,687,961	$0	$71,549,093	$3,923,972	$407,055,286	539	528.94
% Change from 2013-15 Leg Approved Budget	6.1%	0.0%	-5.6%	0.0%	-15.9%	-5.5%	-3.3%		
% Change from 2015-17 Current Service Level	-0.1%	0.0%	0.3%	0.0%	-0.4%	0.0%	0.0%		

*Excludes Capital Construction Expenditures

Legislatively Approved 2015-2017 Key Performance Measures

Agency: OREGON HEALTH AUTHORITY

Mission: Helping people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to quality, affordable health care.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
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 KPM	31.70	38.20	40.20
2 - ENGAGEMENT OF ALCOHOL AND OTHER DRUG DEPENDENCE TREATMENT - Percentage of members with a new episode of alcohol or other drug dependence who received two or more services within 30 days of initiation visit.		Approved KPM	18.40	10.60	11.00
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 KPM	67.60	70.00	72.00
4 - MENTAL AND PHYSICAL HEALTH ASSESSMENTS FOR CHILDREN IN DHS CUSTODY – Percentage of children in DHS custody who receive a mental and physical health assessment within 60 days of initial custody.		Approved KPM	63.50	90.00	90.00
5 - FOLLOW-UP CARE FOR CHILDREN PRESCRIBED WITH ADHD MEDICATION (INITIATION) - Percentage of children newly prescribed attention-deficit/hyperactivity disorder (ADHD) medication who had at least three follow-up care visits within a 10-month period, one of which was within 30 days of when the first ADHD medication was dispensed: INITIATION.		Approved KPM	53.30	53.00	54.00

Agency: OREGON HEALTH AUTHORITY

Mission: Helping people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to quality, affordable health care.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
6 - FOLLOW-UP CARE FOR CHILDREN PRESCRIBED WITH ADHD MEDICATION (CONTINUATION AND MAINTENANCE) - Percentage of children newly prescribed attention-deficit/hyperactivity disorder (ADHD) medication who had at least three follow-up care visits within a 10-month period, one of which was within 30 days of when the first ADHD medication was dispensed: CONTINUATION AND MAINTENANCE		Approved KPM	61.60	64.00	65.00
7 - 30 DAY ILLICIT DRUG USE AMONG 6TH GRADERS - Percentage of 6th graders who have used illicit drugs in the		Approved KPM	1.40	1.40	1.30
8 - 30 DAY ALCOHOL USE AMONG 6TH GRADERS - Percentage of 6th graders who have used alcohol in the past 30 days.		Approved KPM	4.50	4.50	3.50
9 - 30 DAY ILLICIT DRUG USE AMONG 8TH GRADERS - Percentage of 8th graders who have used illicit drugs in the		Approved KPM	8.10	8.10	7.10
10 - 30 DAY ALCOHOL USE AMONG 8TH GRADERS - Percentage of 8th graders who have used alcohol in the past 30 days.		Approved KPM	16.90	16.50	15.50
11 - 30 DAY ILLICIT DRUG USE AMONG 11TH GRADERS - Percentage of 11th graders who have used illicit drugs in the past 30 days.		Approved KPM	19.10	19.00	18.00
12 - 30 DAY ALCOHOL USE AMONG 11TH GRADERS - Percentage of 11th graders who have used alcohol in the past 30 days.		Approved KPM	33.50	33.50	32.50
13 - PRENATAL CARE (POPULATION) - Percentage of women who initiated prenatal care in the first 3 months of pregnancy.		Approved KPM	77.80	90.00	91.00
14 - PRENATAL CARE (MEDICAID) - Percentage of women who initiated prenatal care within 42 days of enrollment.		Approved KPM	67.30	90.00	91.00
15 - PRIMARY CARE SENSITIVE HOSPITAL ADMISSIONS/INPATIENT STAYS - Rate per 100,000 client years of admissions (for 12 diagnoses) that are more appropriately treated in an outpatient setting.		Approved KPM	1,559.70		
16 - PATIENT CENTERED PRIMARY CARE HOME (PCPCH) ENROLLMENT - Number of members enrolled in patient-centered primary care homes by tier.		Approved KPM	78.60	100.00	100.00

Agency: OREGON HEALTH AUTHORITY

Mission: Helping people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to quality, affordable health care.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
17 - ACCESS TO CARE - Percentage of members who responded "always" or "usually" too getting care quickly (composite for adult and child).		Approved KPM	83.60	87.20	87.50
18 - MEMBER EXPERIENCE OF CARE - Composite measurement: how well doctors communicate; health plan information and customer service (Medicaid population).		Approved KPM	83.10	89.60	90.00
19 - MEMBER HEALTH STATUS - Percentage of CAHPS survey respondents with a positive self-reported rating of overall health (excellent, very good).		Approved KPM	29.00	67.00	69.00
20 - RATE OF TOBACCO USE (POPULATION) - Rate of tobacco use among adults.		Approved KPM	22.00	20.00	20.00
21 - RATE OF TOBACCO USE (MEDICAID) - Percentage of CCO enrollees who currently smoke cigarettes or use tobacco every day or some days.		Approved KPM	34.10	25.00	25.00
22 - RATE OF OBESITY (POPULATION) - Percentage of adults who are obese among Oregonians.		Approved KPM	27.00	30.00	30.00
23 - RATE OF OBESITY (MEDICAID) - Percentage of Medicaid population who are obese.		Approved KPM	41.00	41.00	41.00
24 - PLAN ALL CAUSE READMISSIONS - Percentage of acute inpatient stays that were followed by an acute readmission for any diagnosis within 30 days and the predicted probability of an acute readmission for members 18 years and older.		Approved KPM	11.70	10.50	10.50
25 - EFFECTIVE CONTRACEPTIVE USE (POPULATION) - Percentage of reproductive age women who are at risk of unintended pregnancy using an effective method of contraception.		Approved KPM	72.60	57.20	58.20
26 - EFFECTIVE CONTRACEPTIVE USE (MEDICAID) - Percentage of reproductive age women who are at risk of unintended pregnancy using an effective method of contraception.		Approved KPM	85.00	50.00	52.00
27 - FLU SHOTS (POPULATION) - Percentage of adults ages 50-64 who receive a flu vaccine.		Approved KPM	36.00	57.00	57.00
28 - FLU SHOTS (MEDICAID) - Percentage of adults ages 50-64 who receive a flu vaccine.		Approved KPM	42.20	57.00	57.00

Agency: OREGON HEALTH AUTHORITY

Mission: Helping people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to quality, affordable health care.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
29 - CHILD IMMUNIZATION RATES (POPULATION) - Percentage of children who are adequately immunized (immunization series 4:3:1:3:3:1:4).		Approved KPM	58.20	80.00	80.00
30 - CHILD IMMUNIZATION RATES (MEDICAID) - Percentage of children who are adequately immunized (immunization series 4:3:1:3:3:1:4).		Approved KPM	65.30	82.00	82.00
31 - CUSTOMER SERVICE (OHA) - 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.	Accuracy	Approved KPM		95.00	95.00
31 - CUSTOMER SERVICE (OHA) - 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.	Availability of Information	Approved KPM		95.00	95.00
31 - CUSTOMER SERVICE (OHA) - 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.	Expertise	Approved KPM		95.00	95.00
31 - CUSTOMER SERVICE (OHA) - 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.	Helpfulness	Approved KPM		95.00	95.00
31 - CUSTOMER SERVICE (OHA) - 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 KPM		95.00	95.00
31 - CUSTOMER SERVICE (OHA) - 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.	Timeliness	Approved KPM		95.00	95.00

LFO Recommendation:

Approve the KPMs as proposed. Approve targets for 2016 and 2017 as shown.

Sub-Committee Action:

Approved the LFO recommendation.

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: HB 2642 B**

BUDGET REPORT AND MEASURE SUMMARY **CARRIER: Sen. Monnes Anderson**

Joint Committee On Ways and Means

Action: Do Pass The B-Eng Bill.
Action Date: 06/29/15
Vote:
Senate
Yeas: 12 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Whitsett, Winters
House
Yeas: 12 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Whitsett, Williamson
Prepared By: Art Ayre, Department of Administrative Services
Reviewed By: Kim To, Legislative Fiscal Office

Agencies: Judicial Department; Emergency Board
Biennium: 2015-17

Budget Summary

	2013-15 Legislatively Approved Budget	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				$ Change	% Change
Oregon Health Authority					
Other Funds Limited	$ -	$ -	$ 386,294	$ 386,294	100.0%
Higher Education Coordinating Commission					
Other Funds Limited	$ -	$ -	$ 118,249	$ 118,249	100.0%
Total	$ -	$ -	$ 504,543	$ 504,543	100.0%

Position Summary

Oregon Health Authority				
Authorized Positions	0	0	2	2
Full-time Equivalent (FTE) positions	0.00	0.00	1.28	1.28
Higher Education Coordinating Commission				
Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.00	0.50	0.50

Revenue Summary

House Bill 2642 allows the Board of Certified Advanced Estheticians to be self-funded via fees charged to applicants and certificate holders for applications, new and annual renewal certifications, examinations, and other activities. The Private Career Schools under the Higher Education Coordinating Commission (HECC) will work with the Oregon Health Authority (OHA) and organizations interested in teaching students or instructors pursuing an education to become a certified advanced esthetician. If Senate Bill 218 passes, HECC will have the authority to establish a fee to recover some of the costs associated with new program review and approval.

Summary of Human Services Subcommittee Action

House Bill 2642 establishes the nine-member Board of Certified Advanced Estheticians within the Health Licensing Office (HLO) in OHA. The bill authorizes HLO to certify the practice of advanced non-ablative esthetics. Certification must be renewed biennially. The bill contains an emergency clause and is effective on passage. HLO is authorized to take action before the July 1, 2016 operative date. The bill allows HLO to begin certifying individuals as of July 1, 2016, and includes a grandfathering period of 18 months. The bill specifies that certificate holders are required to disclose the existence of professional liability insurance as part of their client records, and stipulates that a certificate holder must enter into an agreement with a health care professional who has schedule III, IV, or V prescriptive authority, as well as with a licensed physician or a licensed nurse practitioner.

Oregon Health Authority - Health Licensing Office
The Subcommittee approved an increase of $386,294 Other Funds expenditure limitation and the establishment of two permanent positions (1.28 FTE) in HLO to carry out the provisions of the bill. This amount includes startup costs as well as Personal Services and related Services and Supplies for two Public Service Representative positions.

Higher Education Coordinating Commission – Degree Authorization / Private Career Schools
The Subcommittee approved an increase of $118,249 Other Funds expenditure limitation and the establishment of one permanent position (0.50 FTE) in the Private Career Schools program of HECC. This amount reflects the Personal Services and related Services and Supplies for one part-time Education Specialist to oversee the licensing of education programs for this new field. The position will work with OHA and organizations interested in teaching students or instructors pursuing an education to become a certified advanced esthetician.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 2642-B

Various Agencies
Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
Oregon Health Authority									
SUBCOMMITTEE RECOMMENDATION									
SCR 020-07 - Health Licensing Office									
Personal Services	$ -	$ -	$ 196,161	$ -	$ -	$ -	$ 196,161	2	1.28
Services and Supplies	$ -	$ -	$ 190,133	$ -	$ -	$ -	$ 190,133		
SUBCOMMITTEE RECOMMENDATION	$ -	$ -	$ 386,294	$ -	$ -	$ -	$ 386,294	2	1.28
Higher Education Coordinating Commission									
SUBCOMMITTEE RECOMMENDATION									
SCR 002 - Degree Authorization / Private Career Schools									
Personal Services	$ -	$ -	$ 106,352	$ -	$ -	$ -	$ 106,352	1	0.50
Services and Supplies	$ -	$ -	$ 11,897	$ -	$ -	$ -	$ 11,897		
SUBCOMMITTEE RECOMMENDATION	$ -	$ -	$ 118,249	$ -	$ -	$ -	$ 118,249	1	0.50
TOTAL SUBCOMMITTEE RECOMMENDATION	$ -	$ -	$ 504,543	$ -	$ -	$ -	$ 504,543	3	1.78

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: HB 2828 A**

BUDGET REPORT AND MEASURE SUMMARY **CARRIER: Sen. Dembrow**

Joint Committee On Ways and Means

Action: Do Pass The A-Eng Bill.
Action Date: 06/29/15
Vote:
Senate
Yeas: 7 - Burdick, Devlin, Monroe, Roblan, Shields, Steiner Hayward, Winters
Nays: 5 - Girod, Hansell, Johnson, Thomsen, Whitsett
House
Yeas: 7 - Buckley, Gomberg, Komp, Nathanson, Rayfield, Read, Williamson
Nays: 5 - Huffman, McLane, Smith, Whisnant, Whitsett
Prepared By: Art Ayre, Department of Administrative Services
Reviewed By: Linda Ames, Legislative Fiscal Office

Agency: Oregon Health Authority
Biennium: 2015-17

Budget Summary

	2013-15 Legislatively Approved Budget	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				$ Change	% Change
General Fund	$ -	$ -	$ 300,000	$ 300,000	100.0%
Total	$ -	$ -	$ 300,000	$ 300,000	100.0%

Position Summary

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

Revenue Summary

House Bill 2828 appropriates $300,000 General Fund to the Oregon Health Authority (OHA) to carry out the provisions of the bill. The agency could also accept funding from other sources for this purpose.

Summary of Human Services Subcommittee Action

Health Policy Programs

House Bill 2828 extends the sunset date of provisions requiring OHA to contract with a third party to conduct a study to examine options for financing health care delivery in Oregon. OHA is expected to report on the progress of the study during the 2016 legislative session and to submit the final report by November 1, 2016. The bill appropriates $300,000 General Fund to OHA's Health Policy Programs for the 2015-17 biennium to carry out the provisions of this bill.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 2828-A

Oregon Health Authority
Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
SUBCOMMITTEE RECOMMENDATION									
SCR 020-08 - Health Policy Programs									
Services and Supplies	$ 300,000	$ -	$ -	$ -	$ -	$ -	$ 300,000		
TOTAL SUBCOMMITTEE RECOMMENDATION	$ 300,000	$ -	$ -	$ -	$ -	$ -	$ 300,000	0	0.00

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: SB 606 B**

BUDGET REPORT AND MEASURE SUMMARY **CARRIER: Rep. Keny-Guyer**

Joint Committee On Ways and Means

Action: Do Pass.
Action Date: 06/29/15
Vote:
House
Yeas: 12 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Whitsett, Williamson
Senate
Yeas: 12 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Whitsett, Winters
Prepared By: Art Ayre, Department of Administrative Services
Reviewed By: Kim To, Legislative Fiscal Office

Agency: Oregon Health Authority
Biennium: 2015-17

Budget Summary

	2013-15 Legislatively Approved Budget	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				$ Change	% Change
General Fund	$ -	$ -	$ 100,000	$ 100,000	100.0%
Total	$ -	$ -	$ 100,000	$ 100,000	100.0%

Position Summary

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.00	0.50	0.50

Revenue Summary

Senate Bill 606 appropriates $100,000 General Fund to the Oregon Health Authority (OHA) to carry out the provisions of the bill. In addition, OHA may accept gifts, grants, or contributions from any public or private source for the purpose of the bill.

Summary of Human Services Subcommittee Action

Senate Bill 606 extends the Dental Pilot Project established by Senate Bill 738 (2011). This 2011 legislation permitted OHA to approve, subject to available funding, pilot dental projects that encourage the development of innovative practices in oral health care delivery systems with a focus on providing care to populations that evidence-based studies have shown have the highest disease rates and the least access to dental care. The bill requires providers of dental services in a dental pilot project approved by OHA to be eligible for reimbursement if the services are provided to a recipient of medical assistance.

Public Health Program

The Subcommittee approved the appropriation of $100,000 General Fund to OHA's Public Health Program to carry out the provisions of the bill. OHA will use the appropriation to establish one permanent part-time position (0.50 FTE) to develop data collection standards and evaluation measures for dental pilot projects.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 606-B

Oregon Health Authority
Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
SUBCOMMITTEE RECOMMENDATION									
SCR 020-06 - Public Health Program									
Personal Services	$ 89,507	$ -	$ -	$ -	$ -	$ -	$ 89,507	1	0.50
Services and Supplies	$ 10,493	$ -	$ -	$ -	$ -	$ -	$ 10,493		
TOTAL SUBCOMMITTEE RECOMMENDATION	$ 100,000	$ -	$ -	$ -	$ -	$ -	$ 100,000	1	0.50

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: SB 660 B**

BUDGET REPORT AND MEASURE SUMMARY **CARRIER: Rep. Hayden**

Joint Committee On Ways and Means

Action: Do Pass.
Action Date: 06/29/15
Vote:
House
Yeas: 12 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Whitsett, Williamson
Senate
Yeas: 12 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Whitsett, Winters
Prepared By: Art Ayre, Department of Administrative Services
Reviewed By: Kim To, Legislative Fiscal Office

Agency: Oregon Health Authority
Biennium: 2015-17

Budget Summary

	2013-15 Legislatively Approved Budget	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				$ Change	% Change
General Fund	$ -	$ -	$ 200,000	$ 200,000	100.0%
Total	$ -	$ -	$ 200,000	$ 200,000	100.0%

Position Summary

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.00	1.00	1.00

Revenue Summary

Senate Bill 660 appropriates $200,000 General Fund to the Oregon Health Authority (OHA) to carry out the provisions of the bill.

Summary of Human Services Subcommittee Action

Senate Bill 660 directs OHA to expand the screening and provision of dental sealants to appropriate student populations who attend an elementary school or a middle school in which at least 40.0 percent of all students are eligible to receive assistance under the USDA National School Lunch Program.

In addition, the bill directs OHA to develop a plan for transitioning schools served directly by OHA to receiving the services from local dental sealant programs. OHA is required to assists schools in making this transition, as well as to establish by rule procedures and qualifications for the certification, recertification, and oversight for local dental sealant programs to ensure quality services are being provided.

Public Health Program

The Subcommittee approved the appropriation of $200,000 General Fund to OHA's Public Health Program to carry out the provisions of the bill. OHA will use existing staff and resources to expand the current statewide School-Based Dental Sealant Program to include eligible schools not yet serviced and to include other appropriate populations in elementary and middle schools. OHA will use the funds appropriated in this bill to establish one full-time permanent position (1.00 FTE) in the Oral Health Program to plan and implement the bill's requirement for transitioning schools served directly by OHA to receiving the services from local dental sealant programs.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 660-B

Oregon Health Authority
Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
SUBCOMMITTEE RECOMMENDATION									
SCR 020-06 - Public Health Program									
Personal Services	$ 166,001	$ -	$ -	$ -	$ -	$ -	$ 166,001	1	1.00
Services and Supplies	$ 33,999	$ -	$ -	$ -	$ -	$ -	$ 33,999		
TOTAL SUBCOMMITTEE RECOMMENDATION	$ 200,000	$ -	$ -	$ -	$ -	$ -	$ 200,000	1	1.00

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: SB 841 B**

BUDGET REPORT AND MEASURE SUMMARY **CARRIER: Rep. Greenlick**

Joint Committee On Ways and Means

Action: Do Pass.
Action Date: 06/29/15
Vote:
House
Yeas: 12 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Whitsett, Williamson
Senate
Yeas: 11 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Whitsett, Winters
Exc: 1 - Thomsen
Prepared By: Art Ayre, Department of Administrative Services
Reviewed By: Kim To, Legislative Fiscal Office

Agency: Oregon Health Authority
Biennium: 2015-17

Budget Summary

	2013-15 Legislatively Approved Budget	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				$ Change	% Change
Other Funds Limited	$ -	$ -	$ 850,800	$ 850,800	100.0%
Total	$ -	$ -	$ 850,800	$ 850,800	100.0%

Position Summary

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

Revenue Summary

The Public Employees Benefit Board and the Oregon Educators Benefit Board within the Oregon Health Authority have the authority to raise premium rates to cover the additional costs of carrying out the provisions of the Senate Bill 841.

Summary of Human Services Subcommittee Action

Senate Bill 841 requires a health plan to reimburse the cost of prescription drugs dispensed in accordance with the plan's synchronization policy; and prorate the copayment or adjust the copayment using a method approved by the Department of Consumer and Business Services for drugs dispensed in a less than 30-day supply for the purpose of synchronizing a patient's prescription drug refills. It also requires a health plan to reimburse, fully, the dispensing fee for partially filled or refilled prescription drugs. It exempts prescriptions when unit-of-use packaging cannot be synchronized, drugs are controlled substances, or drugs have a high risk of diversion. It specifies coverage may be limited by formulary restrictions applied to a prescription drug by a health plan. It exempts from the bill's provisions any prepaid group practice health plan with at least 200,000 enrollees in Oregon. It requires the Oregon Health Authority to implement a synchronization policy for the dispensing of prescription drugs to recipients of medical assistance who are not enrolled in a coordinated care organization. The synchronization policy applies to health plans issued or renewed on or after January 1, 2017.

Oregon Educators Benefit Board

Moda Health, Oregon Educators Benefit Board's (OEBB) largest health insurer, projects passage of this bill could result in a 0.06 percent increase in premium for the OEBB medical plans administered by Moda. This increase translates to a potential fiscal impact of $219,256 Other Funds for the 2015-17 biennium. The increased premiums are associated with the additional costs of processing copays for prorating prescriptions less than 30 days. The Subcommittee approved an increase of $219,256 Other Funds expenditure limitation for this expenditure.

Public Employees' Benefit Board

Providence, Public Employees' Benefit Board (PEBB) largest health insurer, also projects a 0.06 percent increase in premium for the PEBB medical plans administered by Providence. This increase translates to a potential fiscal impact of $631,544 Other Funds for the 2015-17 biennium. The increased premiums are associated with the additional costs of processing copays for prorating prescriptions less than 30 days. The Subcommittee approved an increase of $631,544 Other Funds expenditure limitation for this expenditure.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 841-B

Oregon Health Authority
Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
SUBCOMMITTEE RECOMMENDATION									
SCR 020-02 - Public Employees' Benefit Board									
Special Payments (6085 - Other Special Payments)	$ -	$ -	$ 631,544	$ -	$ -	$ -	$ 631,544		
SCR 020-03 - Oregon Educators Benefit Board									
Special Payments (6085 - Other Special Payments)	$ -	$ -	$ 219,256	$ -	$ -	$ -	$ 219,256		
TOTAL SUBCOMMITTEE RECOMMENDATION	$ -	$ -	$ 850,800	$ -	$ -	$ -	$ 850,800	0	0.00

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session

BUDGET REPORT AND MEASURE SUMMARY

MEASURE: HB 3396 C

CARRIER: Sen. Winters
Sen. Steiner Hayward

Joint Committee On Ways and Means

Action: Do Pass With Amendments To The B-Eng Bill. (Printed C-Eng.)
Action Date: 07/03/15
Vote:
Senate
Yeas: 12 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Whitsett, Winters
House
Yeas: 11 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whitsett, Williamson
Exc: 1 - Whisnant
Prepared By: Art Ayre, Department of Administrative Services
Reviewed By: Kim To, Legislative Fiscal Office

Agency: Oregon Health Authority
Biennium: 2015-17

Budget Summary

	2013-15 Legislatively Approved Budget	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				$ Change	% Change
General Fund	$ -	$ -	$ 180,000	$ 180,000	100.0%
Total	$ -	$ -	$ 180,000	$ 180,000	100.0%

Position Summary

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

Revenue Summary

House Bill 3396 appropriates $180,000 General Fund to the Oregon Health Authority (OHA) to conduct a study on the effectiveness of current incentive programs offered by the state to recruit and retain qualified health care providers in rural and medically underserved areas with the aim of developing recommendations for the continuation, restructuring, consolidation, or repeal of existing programs; or the establishment of new incentive efforts.

Summary of Capital Construction Subcommittee Action

House Bill 3396 creates a health care provider incentive program to assist qualified health care providers committed to serving medical assistance recipients in rural or medically underserved areas in Oregon. It requires OHA to prescribe by rule the terms and conditions of the program. The bill establishes the Health Care Provider Incentive Fund to consolidate Oregon's health care provider incentive programs. Moneys in the fund are continuously appropriated to OHA to administer the Health Care Provider Incentive program. Priority for the distribution of funds must be based on guidance from the Health Care Workforce Committee. The bill permits OHA to contract with a third party to administer all or parts of the program.

The bill requires the Oregon Health Policy Board (OHPB) in OHA to study the effectiveness of current financial incentives offered by the state to recruit and retain qualified health care providers with the aim of developing recommendations for the continuation, restructuring, consolidation, or repeal of existing programs; or the establishment of new incentive efforts. It allows OHA to consult with the Graduate Medical Education Consortium, the Health Care Work Force Institute, the Office of Rural Health, the Oregon Center for Nursing, or other appropriate entities. It authorizes OHPB to contract with a third party to assist with the development of these recommendations. It requires OHPB to submit a progress report to an interim legislative committee during November 2015 and report to the Legislature by September 1, 2016 with its final recommendations.

The bill extends the tax credit available to persons providing rural medical care from January 1, 2016 to January 1, 2018.

The bill modifies statutes relating to tax credit available to persons providing rural medical care and affiliated with certain rural hospitals, defining "qualified metropolitan statistical area" and including tax credit eligibility for providers actively working in a hospital located 30 or more highway miles from the closet hospital within the major population center in a metropolitan statistical.

The bill repeals the Nursing Services Account, the Nursing Services Program, the Health Care Workforce Strategic Fund, Scholars for a Health Oregon Initiative program, the Primary Care Provider Loan Repayment Fund, the Primary Care Loan Repayment program, Primary Health Care Loan Forgiveness Program, and the program to provide payments to medical professional liability insurance insurers to subsidize the cost of premiums charged by the insurers to certain eligible practitioners.

The bill stipulates that current service agreements remain in effect for the term specified in the existing agreement, and individuals currently participating in the primary care provider loan repayment program can continue to participate for the duration of the term of their existing agreement. It requires that unexpended balances of moneys appropriated to the Primary Health Care Loan Forgiveness Program Fund and unexpended balances of the Scholars for a Health Oregon Initiative to be transferred to the Health Care Provider Incentive Fund.

Health Policy Programs

The bill appropriates $180,000 General Fund to OHA to conduct a study on the effectiveness of current incentive programs offered by the state to recruit and retain qualified health care providers in rural and medically underserved areas with the aim of developing recommendations for the continuation, restructuring, consolidation, or repeal of existing programs; or the establishment of new incentive efforts.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 3396-C

Oregon Health Authority
Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
SUBCOMMITTEE RECOMMENDATION									
SCR 020-08 - Health Policy Programs									
Services and Supplies	$ 180,000	$ -	$ -	$ -	$ -	$ -	$ 180,000		
TOTAL SUBCOMMITTEE RECOMMENDATION	$ 180,000	$ -	$ -	$ -	$ -	$ -	$ 180,000	0	0.00

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: HB 5047 A**

BUDGET REPORT AND MEASURE SUMMARY **CARRIER: Sen. Burdick**

Joint Committee On Ways and Means

Action: Do Pass The A-Eng Bill.
Action Date: 07/03/15
Vote:
Senate
Yeas: 11 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Whitsett, Winters
Nays: 1 - Thomsen
House
Yeas: 11 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whitsett, Williamson
Nays: 1 - Whisnant
Prepared By: Michelle Deister, Legislative Fiscal Office
Reviewed By: Linda Ames, Legislative Fiscal Office

Agencies: Various
Biennium: 2015-17

Budget Summary*

	2013-15 Legislatively Approved Budget[1]	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				$$ Change	% Change
Oregon Liquor Control Commission					
Other Funds	$ -	$ -	$ 8,332,933	$ 8,332,933	
Oregon Health Authority					
Other Funds	$ -	$ -	$ 6,693,787	$ 6,693,787	
Department of Human Services					
Other Funds	$ -	$ -	$ 386,411	$ 386,411	
Department of Revenue					
Other Funds	$ -	$ -	$ 1,864,453	$ 1,864,453	
Department of Agriculture					
Other Funds	$ -	$ -	$ 212,641	$ 212,641	

Position Summary

Oregon Liquor Control Commission				
Authorized Positions	0	0	30	30
Full-time Equivalent (FTE) positions	0.00	0.00	24.91	24.91
Oregon Health Authority				
Authorized Positions	0	0	37	37
Full-time Equivalent (FTE) positions	0.00	0.00	23.25	23.25
Department of Human Services				
Authorized Positions	0	0	3	3
Full-time Equivalent (FTE) positions	0.00	0.00	2.59	2.59

	2013-15 Legislatively Approved Budget[1]	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				$$ Change	% Change
Department of Revenue					
Authorized Positions	0	0	6	6	
Full-time Equivalent (FTE) positions	0.00	0.00	3.15	3.15	
Department of Agriculture					
Authorized Positions	0	0	1	1	
Full-time Equivalent (FTE) positions	0.00	0.00	1.00	1.00	

[1] Includes adjustments through December 2014

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Health Authority anticipates revenues from licensing fees on medical marijuana growers and processors to be approximately $4 to $5 million during the 2015-17 biennium.

The Department of Revenue's expenses are funded from gross marijuana tax proceeds received by the Department with the remainder to be deposited into the Oregon Marijuana Account as directed under House Bill 2041. There is no statutory cap on the level of administrative and enforcement expense that the Department may retain.

Revenue to support OLCC regulatory functions will be recovered from licensees after startup costs borrowed from the liquor fund are fully repaid with Marijuana Tax proceeds. The recommended budget anticipates an estimated average license fee of between $4,000-$4,500 on recreational marijuana licensees, which include growers, wholesalers, processors, and retailers. In addition, marijuana handlers will pay a license fee to cover costs of an education program and background check; this construct is similar to what is required of liquor servers. Licenses are on an annual basis, and revenue is estimated to begin to materialize in April of 2016.

Summary of Capital Construction Subcommittee Action

This budget bill includes Other Funds expenditure limitation necessary for a number of agencies to implement House Bill 3400, House Bill 2041, Senate Bill 460 and Senate Bill 844, all related to marijuana programs. The affected agencies include the Oregon Liquor Control Commission,

Oregon Health Authority, Department of Human Services, Department of Revenue, and Department of Agriculture. The Subcommittee approved a total of $17.5 million Other Funds expenditure limitation across the five agencies, and approved 77 positions (54.90 FTE). Specific agency details are described below.

Oregon Liquor Control Commission

A total of $1,339,610 Other Funds expenditure limitation for Measure 91 start-up costs in the current biennium were approved by the December 2014 Emergency Board ($583,000 and 4 positions) and via approval of Senate Bill 5543 the 2013-15 budget reconciliation bill passed in March of 2015 ($756,610 and three positions), respectively. The budget approved by the Subcommittee for the Oregon Liquor Control Commission (OLCC) assumes continuation of these 7 positions, as well as phased-in costs related to inspectors, accountants, administrative assistants, and services and supplies costs.

The approved budget for the 2015-17 biennium is $3.8 million Other Funds for personal services, $4.5 million Other Funds for services and supplies and 30 positions (24.91 FTE). Personnel carried forward from 13-15 include the program manager, three operations and policy specialists, a compliance specialist, administrative support, and a public affairs specialist. This was augmented with the following:

- Eleven regulatory specialists (inspectors – four of which are limited duration) to be phased in as licensing infrastructure comes on line;
- A phased-in compliance specialist, responsible for handling appeals on license denials and violations, also limited duration;
- A Compliance Specialist to manage product labeling standards and testing lab certification;
- Four accounting staff, also phased in, and responsible for the following:
    - Insurance bonding requirements of those liable for tax payments – though OLCC isn't responsible for collecting the tax, bonding responsibilities still fall to OLCC under HB 3400;
    - Auditing functions related to traceability system related to agency compliance efforts
    - Licensing fee payment and administration of the Marijuana Control and Regulation Fund
    - Support to the Department of Revenue providing traceability system information to support marijuana tax collection accuracy.
- Three administrative support personnel, responsible for licensing services, hearings and violations;
- A limited duration human resources analyst;
- A limited duration compliance specialist related to manage appeals related to licensing denials and violations; and
- A procurement and contract specialist for the additional services and supplies that will be required by the agency's additional employees.

One-time services and supplies costs included in the recommended budget are:

- Development, procurement and management of the agency's traceability system amounting to $1.9 million;
- Office set up for new employees;
- Purchase of vehicles for additional enforcement staff and inspections;
- Repayment of start-up costs incurred in the 2013-15 biennium; and
- Consulting costs related to expertise in product labeling, impairment, and other specialty information needs.

Ongoing costs include OLCC administrative overhead, IT systems maintenance and licensing, Department of Justice costs, state government service charges, and additional expenses in telecommunications, travel, and employee training due to the number of new staff.

It should be noted that the number of licensees may be influenced by licensing fee amounts levied; in turn, the total number of licensees will influence the fee amount (e.g. the more licensees over which to spread costs, the lower the individual fees). The recommended budget for OLCC assumes 749 licenses, not including marijuana handlers, and is anticipated to result in an estimated average fee of approximately $4,500.

The following budget note is recommended:

Budget Note

When setting fees for the recreational marijuana program, the Oregon Liquor Control Commission shall consider the following:

- Fees charged should provide for sustainable operations in the 2017-19 biennium and beyond;
- Fees charged should consider the relative size and scale of operation for all classes of licenses (growers, processors, wholesalers and retailers); and
- Fees charged to licensees should not be lower than those charged by the Oregon Health Authority for equivalent medical marijuana license classes.

The Oregon Liquor Control Commission shall report quarterly to the Legislative Fiscal Office on the number of license applications, the number of licenses approved, fee amounts received, marijuana program expenditures, and progress on implementing technology initiatives associated with the recreational marijuana program.

Oregon Health Authority

The Subcommittee approved a budget for the Oregon Health Authority (OHA) medical marijuana program that includes $5.8 million Other Funds expenditure limitation and 25 positions (19.58 FTE) that will be paid using fee revenues generated by licensing growers, processors, and dispensaries. A portion of the expenditures ($1.3 million) will be passed through to Shared Services in both OHA and the Department of Human Services to support positions in the Office of Information Services and the Background Check Unit (15 positions and 6.26 FTE).

Staffing is included to do inspections and enforcement related to grow sites, processors, and dispensaries, including work related to the early start of retail sales in dispensaries. Fourteen full-time Compliance Specialists positions (11.17 FTE) are included to do this work. The three positions related to the early start of retail sales in dispensaries are limited duration.

The approved budget includes staff to manage the program, including policy, rule-making, communication and education. Other staff will ensure the accountability of tracking and product reporting, including the monitoring and tracking of necessary fiscal and auditing functions, as well as conduct data analysis and process improvement. The budget includes 10 full-time permanent positions (8.19 FTE) for these functions. One additional limited duration position (0.22 FTE) is included to staff the Task Force on Medical and Public Health Research of Cannabis, as required in Senate Bill 844. The agency has made their best estimate of specific position classifications needed for the various functions. However, as they implement the program they may find that they need a somewhat different mix of classifications.

OHA anticipates using the OLCC tracking system, rather than building their own. The agency expects to pay OLCC roughly $300,000 for the use of the system during the 2015-17 biennium, although this estimate is preliminary. Other costs include system work related to reporting, as well as the development of a licensing system to handle growers, processors and dispensaries. A total of 12 positions (3.67 FTE) in the Office of Information Services and $0.9 million Other Funds expenditure limitation will be needed during the 2015-17 biennium. Only four positions will continue into the 2017-19 biennium. It should be noted that discussions between OHA and OLCC regarding the use of the tracking system are at a very preliminary stage. At this point OHA is hopeful that this arrangement will work, but it is possible that additional constraints may be identified at a later date.

The budget includes $0.4 million Other Funds and three positions (2.59 FTE) in the Department of Human Services Shared Services, to conduct background checks.

The agency expects to use a portion of the current ending balances for the existing medical marijuana program and dispensary program, in order to start work on implementing these new responsibilities before fee revenues are received. The agency expects to report back to the Joint Committee on Ways and Means during the 2016 legislative session on program implementation, including expenditures and fee levels, and the program budget can be adjusted as needed at that time.

Department of Human Services

The approved budget includes $0.4 million Other Funds and three positions (2.59 FTE) in the Department of Human Services Shared Services, to conduct background checks. This will be paid by the Oregon Health Authority.

Department of Revenue

The Subcommittee approved a $1,864,453 Other Funds expenditure limitation increase and the establishment of the following permanent full-time positions: one Operations and Policy Analyst 2 (0.83 FTE) and one Operations and Policy Analyst 3 (0.83 FTE) for program development; one Economist 3 for data analysis (0.25 FTE); one Accountant 3 for revenue receipts and distributions (0.19 FTE); and one Administrative Specialist 2 for tax return processing (0.67 FTE). One limited duration Public Affairs Specialist 2 position for education and outreach (0.38 FTE) was also established. Personal service costs total $511,214 with associated services and supplies of $232,993 and capital outlay of $20,246. The 2017-19 roll-up costs total $1,153,321 Other Funds and include five positons (3.75 FTE).

Additionally, $1.1 million of Other Funds expenditure limitation was established for adding point-of-sale functionality to the Department's ongoing Core Systems Replacement project (CSR), which is a commercial-off-the-shelf product. This is a one-time expenditure for a vendor payment that is to be phased-out of the agency 2017-19 biennial budget. This is funding in addition to, and to be tracked separate from, the Article XI-Q bond funding for the CSR project, which is the primary source of funding for all four phases of the project.

Ongoing contracted vendor operations and maintenance cost is estimated to be $100,000 for the 2015-17 biennium and $200,000 for the 2017-19 biennium. Additionally, the CSR point-of-sale functionality may require contract changes and additional costs for project management, organizational change management, and independent quality assurance services. Such costs may need to be part of a separate budget request, once final costs are determined.

The Department of Administrative Services is requested to unschedule $1.1 million of expenditure limitation related to the CSR project that may only be scheduled upon the joint approval of the Office of the State Chief Information Officer and the Legislative Fiscal Office, after a more detailed evaluation of the information technology implementation plan for this project enhancement.

The CSR point-of-sale functionality would be implemented by January 1, 2017, as part of the project's Phase-III roll-out. Even though the bill specifies that the tax is effective January 2016 for retail sales, it is assumed that retail sales will not begin until the fourth quarter of 2016, as that is anticipated to be when legal marijuana would likely first be available for sale at licensed retail establishments. The Department will begin processing tax returns from medical dispensaries one quarter after the October 2015 start date or January 4, 2016. From that date until the January 1, 2017 Core Systems Replacement project implementation, tax returns will be processed manually using legacy information technology applications.

The Department anticipates a high compliance rate by marijuana retailers due to licensure requirements and other regulatory authorities of Oregon Liquor Control Commission; therefore no resources are added for enforcement. Additionally, no new resources were added for revenue collection activities, which the Department states can be absorbed within its current budget.

The agency may require additional Other Funds expenditure limitation in addition to the amount approved by the Subcommittee to process tax payments made in cash. Federal banking restrictions limit the ability of marijuana businesses to obtain bank accounts. Therefore, most, if not all, tax payments under the measure will likely be in the form of cash, which will necessitate changes to the agency cash collection and handling procedures, which could include infrastructure upgrades for building (Salem or satellite office) security. Agency-wide administrative overhead charges were also not included in the Other Funds expenditure limitation approved by the Subcommittee.

Department of Agriculture

The Subcommittee approved a $212,641 Other Funds expenditure limitation increase and the establishment of one Natural Resource Specialist 3 position (1.00 FTE) to serve as the Department of Agriculture's Marijuana Policy Analyst. The position will act as coordinator to work and consult with state agencies and others on marijuana issues as required by marijuana implementing legislation passed this session. $25,000 Other Funds for Capital Outlay expenditures is added on a one-time basis. The position was added to the Administration Division as it will work on issues that touch all three of the agency's program areas including food safety, weights and measures, pesticides, laboratory testing, nurseries, interaction with other agricultural commodities, as well as market access and development. Revenue for the Other Funds comes through a transfer from the Oregon Liquor Control Commission.

Various Agencies

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
Oregon Liquor Control Commission									
SUBCOMMITTEE ADJUSTMENTS									
SCR 004 - Marijuana Regulation									
Personal Services	$ -	$ -	$ 3,827,721	$ -	$ -	$ -	$ 3,827,721	30	24.91
Services and Supplies	$ -	$ -	$ 4,505,212	$ -	$ -	$ -	$ 4,505,212	0	0.00
SUBCOMMITTEE RECOMMENDATION *	$ -	$ -	$ 8,332,933	$ -	$ -	$ -	$ 8,332,933	30	24.91
Oregon Health Authority									
SUBCOMMITTEE ADJUSTMENTS									
SCR 020-06 - Public Health									
Personal Services	$ -	$ -	$ 2,692,302	$ -	$ -	$ -	$ 2,692,302	24	19.36
Services and Supplies	$ -	$ -	$ 1,695,232	$ -	$ -	$ -	$ 1,695,232	0	0.00
SCR 020-08 - Health Policy Programs									
Personal Services	$ -	$ -	$ 44,057	$ -	$ -	$ -	$ 44,057	1	0.22
Services and Supplies	$ -	$ -	$ 79,161	$ -	$ -	$ -	$ 79,161	0	0.00
SCR 010-45 - Shared Services									
Personal Services	$ -	$ -	$ 757,891	$ -	$ -	$ -	$ 757,891	12	3.67
Services and Supplies	$ -	$ -	$ 140,421	$ -	$ -	$ -	$ 140,421	0	0.00
SCR 010-50 - State Assessments and Enterprise-wide Costs									
Services and Supplies	$ -	$ -	$ 518,954	$ -	$ -	$ -	$ 518,954	0	0.00
Special Payments	$ -	$ -	$ 765,769	$ -	$ -	$ -	$ 765,769	0	0.00
SUBCOMMITTEE RECOMMENDATION *	$ -	$ -	$ 6,693,787	$ -	$ -	$ -	$ 6,693,787	37	23.25
Department of Human Services									
SUBCOMMITTEE ADJUSTMENTS									
SCR 010-45 - Shared Services									
Personal Services	$ -	$ -	$ 320,248	$ -	$ -	$ -	$ 320,248	3	2.59
Services and Supplies	$ -	$ -	$ 66,163	$ -	$ -	$ -	$ 66,163	0	0.00
SUBCOMMITTEE RECOMMENDATION *	$ -	$ -	$ 386,411	$ -	$ -	$ -	$ 386,411	3	2.59

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
Department of Revenue									
SUBCOMMITTEE ADJUSTMENTS									
SCR 001 - Executive Division									
Personal Services	$ -	$ -	$ 70,077	$ -	$ -	$ -	$ 70,077	1	0.38
							$ -		
SCR 002 - General Services Division									
Personal Services	$ -	$ -	$ 45,242	$ -	$ -	$ -	$ 45,242	1	0.25
							$ -		
SCR 003 - Administrative Division									
Personal Services	$ -	$ -	$ 30,225	$ -	$ -	$ -	$ 30,225	1	0.19
							$ -		
SCR 006 - Business Division									
Personal Services	$ -	$ -	$ 365,669	$ -	$ -	$ -	$ 365,669	3	2.33
Services and Supplies	$ -	$ -	$ 232,994	$ -	$ -	$ -	$ 232,994		
Capital Outlay	$ -	$ -	$ 20,246		$ -	$ -	$ 20,246		
SCR 030 - Core Systems Replacement									
Personal Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0	0.00
Services and Supplies	$ -	$ -	$ 1,100,000	$ -	$ -	$ -	$ 1,100,000		
SUBCOMMITTEE RECOMMENDATION *	$ -	$ -	$ 1,864,453	$ -	$ -	$ -	$ 1,864,453	6	3.15
Department of Agriculture									
SUBCOMMITTEE ADJUSTMENTS									
SCR 010 - Admin and Support Services									
Personal Services	$ -	$ -	$ 160,377	$ -	$ -	$ -	$ 160,377	0	0.00
Services and Supplies	$ -	$ -	$ 27,264	$ -	$ -	$ -	$ 27,264	0	0.00
Capital Outlay	$ -	$ -	$ 25,000	$ -	$ -	$ -	$ 25,000	0	0.00
SUBCOMMITTEE RECOMMENDATION *	$ -	$ -	$ 212,641	$ -	$ -	$ -	$ 212,641	1	1.00

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: SB 5507 A**

BUDGET REPORT AND MEASURE SUMMARY **CARRIER: Rep. Buckley**

Joint Committee On Ways and Means

Action: Do Pass.
Action Date: 07/03/15
Vote:
House
Yeas: 11 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whitsett, Williamson
Exc: 1 - Whisnant
Senate
Yeas: 12 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Whitsett, Winters
Prepared By: Linda Ames and Linda Gilbert, Legislative Fiscal Office
Reviewed By: Ken Rocco, Legislative Fiscal Office

Agency: Emergency Board
Biennium: 2015-17

Agencies: Various
Biennium: 2013-15

Budget Summary*	2013-15 Legislatively Approved Budget	2015-17 Legislatively Adopted Budget	2015-17 Committee Recommendation	Committee Change
Emergency Board				
General Fund - General Purpose	-	-	$ 30,000,000	$ 30,000,000
General Fund - Special Purpose Appropriations				
State employee compensation changes	-	-	$ 120,000,000	$ 120,000,000
Compensation changes for non-state employees	-	-	$ 10,700,000	$ 10,700,000
Oregon Health Authority/Department of Human Services caseload or other costs	-	-	$ 40,000,000	$ 40,000,000
Education - early learning through post-secondary	-	-	$ 3,000,000	$ 3,000,000
Department of Administrative Enterprise Technology Services rate adjustment costs	-	-	$ 6,500,000	$ 6,500,000
Department of Justice - Defense of Criminal Convictions	-	-	$ 2,000,000	$ 2,000,000
Department of Human Services for provider audits	-	-	$ 100,000	$ 100,000
Various Agencies - Omnibus Adjustments				
General Fund	-	-	$ (28,060,645)	$ (28,060,645)
General Fund Debt Service	-	-	$ (2,018,162)	$ (2,018,162)
Lottery Funds	-	-	$ (725,589)	$ (725,589)
Other Funds	-	-	$ (28,527,657)	$ (28,527,657)
Federal Funds	-	-	$ (11,062,641)	$ (11,062,641)
ADMINISTRATION PROGRAM AREA				
Department of Administrative Services				
General Fund	-	-	$ 2,540,000	$ 2,540,000
Other Funds	-	-	$ 16,800,847	$ 16,800,847
Other Funds Nonlimited	-	-	$ 145,875,000	$ 145,875,000

Budget Summary*	2013-15 Legislatively Approved Budget	2015-17 Legislatively Adopted Budget	2015-17 Committee Recommendation	Committee Change
Office of the Governor				
General Fund	-	-	$ 500,000	$ 500,000
Lottery Funds	-	-	$ 1,332,517	$ 1,332,517
Public Employees Retirement System				
Other Funds	-	-	$ 509,960	$ 509,960
Department of Revenue				
General Fund	-	-	$ 3,935,414	$ 3,935,414
General Fund Debt Service			$ 3,756,256	$ 3,756,256
Other Funds	-	-	$ 28,264,440	$ 28,264,440
ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA				
Oregon Business Development Department				
General Fund Debt Service	-	-	$ 4,089,357	$ 4,089,357
Lottery Funds	-	-	$ 1,500,000	$ 1,500,000
Other Funds	-	-	$ 227,178,216	$ 227,178,216
Other Funds Nonlimited	-	-	$ 25,000,000	$ 25,000,000
Housing and Community Services Department				
Other Funds	-	-	$ 33,444,789	$ 33,444,789
Department of Veterans' Affairs				
General Fund	-	-	$ 500,000	$ 500,000
EDUCATION PROGRAM AREA				
Department of Education				
General Fund	-	-	$ 56,490,543	$ 56,490,543
Lottery Funds	-	-	$ 66,009,457	$ 66,009,457
Other Funds	-	-	$ 126,210,000	$ 126,210,000

Budget Summary*	2013-15 Legislatively Approved Budget	2015-17 Legislatively Adopted Budget	2015-17 Committee Recommendation	Committee Change
Higher Education Coordinating Commission				
General Fund	-	-	$ 5,062,300	$ 5,062,300
Other Funds	-	-	$ 6,019,882	$ 6,019,882
Other Funds Nonlimited	-	-	$ 50,648,642	$ 50,648,642
Oregon Health & Science University				
General Fund Debt Service	-	-	$ 8,522,485	$ 8,522,485
Other Funds Debt Service	-	-	$ 38,689,306	$ 38,689,306
Other Funds	-	-	$ 200,035,000	$ 200,035,000
HUMAN SERVICES PROGRAM AREA				
Department of Human Services				
General Fund	-	-	$ 5,437,494	$ 5,437,494
General Fund Debt Service	-	-	$ 839,543	$ 839,543
Other Funds	-	-	$ 3,355,000	$ 3,355,000
Federal Funds	-	-	$ 160,000	$ 160,000
Oregon Health Authority				
General Fund	-	-	$ 11,060,000	$ 11,060,000
Other Funds	-	-	$ 137,152	$ 137,152
Long Term Care Ombudsman				
General Fund	-	-	$ 100,000	$ 100,000
JUDICIAL BRANCH				
Judicial Department				
General Fund	-	-	$ 700,000	$ 700,000
Other Funds	-	-	$ 40,255,000	$ 40,255,000

Budget Summary*

	2013-15 Legislatively Approved Budget	2015-17 Legislatively Adopted Budget	2015-17 Committee Recommendation	Committee Change
NATURAL RESOURCES PROGRAM AREA				
Department of Agriculture				
General Fund	-	-	$ 55,000	$ 55,000
Other Funds	-	-	$ 1,992,496	$ 1,992,496
Department of Environmental Quality				
General Fund	-	-	$ 280,000	$ 280,000
Other Funds	-	-	$ 110,092	$ 110,092
Department of Fish and Wildlife				
General Fund	-	-	$ 525,000	$ 525,000
Oregon Department of Forestry				
General Fund	-	-	$ 809,377	$ 809,377
Department of Land Conservation and Development				
General Fund	-	-	$ 494,000	$ 494,000
Department of State Lands				
Federal Funds	-	-	$ 161,488	$ 161,488
Parks and Recreation Department				
Lottery Funds	-	-	$ 2,190,640	$ 2,190,640
Lottery Funds Debt Service	-	-	$ (912,494)	$ (912,494)
Other Funds	-	-	$ 11,815,544	$ 11,815,544
Federal Funds	-	-	$ (899,575)	$ (899,575)
Water Resources Department				
Other Funds	-	-	$ 51,960,889	$ 51,960,889
Other Funds Debt Service	-	-	$ 1,201,865	$ 1,201,865

Budget Summary*	2013-15 Legislatively Approved Budget	2015-17 Legislatively Adopted Budget	2015-17 Committee Recommendation	Committee Change
Oregon Watershed Enhancement Board				
Federal Funds	-	-	$ 200,000	$ 200,000
PUBLIC SAFETY PROGRAM AREA				
Department of Corrections				
Other Funds	-	-	$ 254,568	$ 254,568
Criminal Justice Commission				
General Fund	-	-	$ 5,000,000	$ 5,000,000
Department of Justice				
General Fund	-	-	$ 240,550	$ 240,550
General Fund Debt Service			$ 2,407,587	$ 2,407,587
Other Funds	-	-	$ 15,415,000	$ 15,415,000
Federal Funds	-	-	$ 29,997,991	$ 29,997,991
Military Department				
General Fund	-	-	$ 339,563	$ 339,563
General Fund Debt Service	-	-	$ 434,833	$ 434,833
Other Funds	-	-	$ 153,000	$ 153,000
Federal Funds	-	-	$ 358,253	$ 358,253
Department of State Police				
Lottery Funds	-	-	$ 278,788	$ 278,788
Other Funds	-	-	$ 1,072,470	$ 1,072,470
Federal Funds	-	-	$ 1,163	$ 1,163

Budget Summary*	2013-15 Legislatively Approved Budget	2015-17 Legislatively Adopted Budget	2015-17 Committee Recommendation	Committee Change
Oregon Youth Authority				
General Fund Debt Service	-	-	$ 3,115,428	$ 3,115,428
Other Funds	-	-	$ 1,055,565	$ 1,055,565
Federal Funds Debt Service Nonlimited	-	-	$ 1	$ 1
TRANSPORTATION PROGRAM AREA				
Department of Transportation				
General Fund	-	-	$ 130,000	$ 130,000
Other Funds	-	-	$ 56,354,734	$ 56,354,734

2015-17 Budget Summary		
General Fund Total	**$ 299,585,923**	**$ 299,585,923**
Lottery Funds Total	**$ 69,673,319**	**$ 69,673,319**
Other Funds Limited Total	**$ 833,758,158**	**$ 833,758,158**
Other Funds Nonlimited Total	**$ 221,523,642**	**$ 221,523,642**
Federal Funds Limited Total	**$ 18,916,679**	**$ 18,916,679**
Federal Funds NonlimitedTotal	**$ 1**	**$ 1**

*** Excludes Capital Construction**

2013-15 Supplemental Appropriations

	2013-15 Legislatively Approved Budget	2013-15 Committee Recommendation	Committee Change
Oregon Health Authority			
Other Funds	-	$ 45,000,000	$ 45,000,000
Department of Land Conservation and Development			
General Fund	-	$ (194,000)	$ (194,000)

2015-17 Position Summary

	2013-15 Legislatively Approved Budget	2015-17 Legislatively Adopted Budget	2015-17 Committee Recommendation	Committee Change
Department of Administrative Services				
Authorized Positions	-	-	8	8
Full-Time Equivalent (FTE) positions	-	-	3.47	3.47
Office of the Governor				
Authorized Positions	-	-	6	6
Full-Time Equivalent (FTE) positions	-	-	5.92	5.92
Department of Revenue				
Authorized Positions	-	-	34	34
Full-Time Equivalent (FTE) positions	-	-	33.92	33.92
Oregon Health Authority				
Authorized Positions	-	-	3	3
Full-Time Equivalent (FTE) positions	-	-	2.50	2.50
Department of Agriculture				
Authorized Positions	-	-	6	6
Full-Time Equivalent (FTE) positions	-	-	5.76	5.76
Department of Environmental Quality				
Authorized Positions	-	-	2	2
Full-Time Equivalent (FTE) positions	-	-	1.25	1.25
Oregon Department of Forestry				
Authorized Positions	-	-	1	1
Full-Time Equivalent (FTE) positions	-	-	0.50	0.50

2015-17 Position Summary

	2013-15 Legislatively Approved Budget	2015-17 Legislatively Adopted Budget	2015-17 Committee Recommendation	Committee Change
Department of Land Conservation and Development				
Authorized Positions	-	-	1	1
Full-Time Equivalent (FTE) positions	-	-	1.00	1.00
Department of Justice				
Authorized Positions	-	-	22	22
Full-Time Equivalent (FTE) positions	-	-	21.13	21.13
Oregon Military Department				
Authorized Positions	-	-	3	3
Full-Time Equivalent (FTE) positions	-	-	3.00	3.00
Oregon State Police				
Authorized Positions	-	-	-	-
Full-Time Equivalent (FTE) positions	-	-	(0.50)	(0.50)

Summary of Revenue Changes

The General Fund appropriations made in the bill are within resources available as projected in the May 2015 economic and revenue forecast by the Department of Administrative Services, Office of Economic Analysis, supplemented by transfers from various agency accounts to the General Fund for general governmental purposes as authorized in Senate Bill 501, plus other actions to reduce state agency expenditures.

Summary of Capital Construction Subcommittee Action

Senate Bill 5507 appropriates General Fund to the Emergency Board for general purpose and targeted special purpose appropriations, and makes other adjustments to individual agency budgets and position authority as described below.

Emergency Board

The Emergency Board allocates General Fund and provides Lottery Funds, Other Funds, and Federal Funds expenditure limitation to state agencies for unanticipated needs in approved agency budgets when the Legislature is not in session. The Subcommittee appropriated $30 million General Fund to the Emergency Board for general purposes.

Senate Bill 5507 makes seven special purpose appropriations to the Emergency Board, totaling $182.3 million General Fund:

- $120 million General Fund for state employee compensation changes.
- $40 million General Fund for the Oregon Health Authority or the Department of Human Services for caseload costs or other budget challenges that the agencies are unable to mitigate. Known potential challenges include costs associated with federal fair labor standards act rule changes affecting home care and personal support workers; these are estimated to be around $17 million but will depend in part on pending litigation and programmatic changes. Another unknown element is the full impact of second fiscal year costs for nursing facility rates that may fluctuate based on bed reduction targets; $4.9 million of rate inflation was originally set aside as part of the Governor's budget to stimulate a discussion on aligning nursing facility cost increases with Oregon Health Plan inflation rates.
- $10.7 million General Fund for allocation to state agencies for compensation changes driven by collective bargaining for workers who are not state employees. Allocations related to child care, adult foster care, homecare, and personal support workers are anticipated.
- $6.5 million General Fund for Department of Administrative Services to be allocated, if necessary, to fund changes in Department of Administrative Services Enterprise Technology Services (ETS) rates and assessments. A budget note in SB 5502, the budget bill for the Department of Administrative Services, required the State Chief Information Officer to recommend during the 2016 Regular Session a new funding formula for ETS that refocuses charges to state agencies on fees for service and deemphasizes the use of assessments, which fund all positions regardless of reductions in services delivered, demonstrate how reductions in services purchased by state agencies would be reflected in reductions in operating expenses, and include price list adjustments needed for implementation of a new revenue formula at the start of second year of the biennium.
- $3 million General Fund for Education, early learning through post-secondary.
- $2 million General Fund for Department of Justice, Defense of Criminal Convictions caseload costs.
- $100,000 General Fund for Department of Human Services (DHS), to be used – if warranted – for completing provider audits, compliance work, or reporting activities. These potential actions are specifically tied to a budget note providing direction regarding wage increases for direct care workers serving people with intellectual and developmental disabilities. The budget note is included in the DHS section of this budget report.

If these special purpose appropriations are not allocated by the Emergency Board before December 1, 2016, any remaining funds become available to the Emergency Board for general purposes.

Adjustments to Approved 2015-17 Budgets

OMNIBUS ADJUSTMENTS

Omnibus adjustments reflect budget changes in multiple agencies based on reductions in Department of Administrative Services' assessments and charges for services, Audits Division assessments, Attorney General rates, and debt service. Total savings are $30.1 million General Fund, $0.7 million Lottery Funds, $28.5 million Other Funds, and $11.1 million Federal Funds.

ADMINISTRATION

Department of Administrative Services

The Subcommittee approved a one-time $951,393 Other Funds expenditure limitation increase and establishment of six limited-duration positions (1.71 FTE) for the Chief Human Resources Office to review the Human Resource Information System project (HRIS). The positions will review and update the preparations in the current project for business processes realignment that will be necessary with the adoption and deployment of any new HR IT system, review and update existing IT modernization plans, and study and improve conversion planning for implementation of HRIS. The Department will report initial findings of this review to the appropriate subcommittees of the Joint Committee on Ways and Means during the 2016 legislative session.

The Subcommittee also approved a $293,314 Other Funds expenditure limitation increase and the addition of two positions for Shared Financial Services to accommodate service provision for the Department of Geology and Mineral Industries, which will now have financial functions carried out by DAS.

The Subcommittee also approved continuing to give nonlimited authority to DAS to make Other Funds expenditures necessary to disburse general obligation bonds sold during the 2013-15 biennium for the benefit of public universities. Disbursement of future bond sales will be done by the Higher Education Coordinating Commission (HECC), but during the 2013-15 biennium, the Department of Administrative Services (DAS) was given initial authority to disburse these proceeds. As the bond project duties related to issuance of Article XI-F and XI-G general obligation bonds transition from DAS to HECC per House Bill 3199, both agencies were given nonlimited authority to disburse proceeds of bonds issued during 2013-15. The total amount of undisbursed proceeds as of June 30, 2015 from 2013-15 bond sales is $196,523,642. The initial estimate of the amount of 2013-15 proceeds DAS will disburse in 2015-17 per agreements with public universities is $145,875,000, with HECC assumed to disburse $50,648,642. These amounts will likely change once the timing of final transition from DAS to HECC is known.

Senate Bill 5507 includes one-time General Fund appropriations to the Department of Administrative Services for the following purposes:

- $1,100,000 for disbursement to the National Urban Housing and Economic Community Development Corporation (NUHECDC) for implementation of an affordable homes, skills training, and jobs for unemployed prior-offenders, at-risk youth, and veterans. NUHECDC is directed to provide written status reports to the Department of Administrative Services and the Legislative Fiscal Officer each quarter during the 2015-17 biennium to document progress in meeting the program's objectives of providing affordable housing for low to

moderate income Oregonians; skill training for prior-offenders, at-risk youth, and veterans; and job placement for those with barriers to quality employment.

- $850,000 for disbursement to the Pine Valley Fire District for a new location and facility to house the Fire Department in the City of Halfway, Oregon.
- $100,000 for disbursement to the City of Medford to pay for the completion of a feasibility study on development of a conference center in the Medford area. This project could grow beyond a simple conference center and, if feasible, could include sports and recreation components.
- $90,000 for disbursement to the City of Gold Hill for engineering work needed to construct the Gold Hill Whitewater Park at Ti'lomikh Falls on the Rogue River. The Whitewater Park is being built into the new Gold Hills Parks Master Plan. The goal of the project is to turn Gold Hill into a whitewater destination. The engineering of the whitewater project will be completed in 2015. Permitting and fundraising for construction is expected to take two years. Construction of the whitewater features is expected to take two months. The goal is to finish the park before the 2016 Olympics and to have a local paddler trained at the site competing in the 2020 Olympics.

The Subcommittee added $15,556,140 Other Funds expenditure limitation for one-time cost of issuance and special payments associated with the disbursement of proceeds from Lottery Bond sales; projects are detailed below and approved in House Bill 5030. Cost of issuance for these projects totals $456,140. There is no debt service allocated in the 2015-17 biennium, as the bonds will not be sold until the Spring of 2017. Total debt service on all the projects described below is estimated at a total of $2,919,215 Lottery Funds for the 2017-19 biennium.

- $750,000 Other Funds for disbursement to Concordia University for the construction of the Faubion prekindergarten through grade eight school.
- $1,250,000 Other Funds for disbursement to the Elgin Health District for a rural health care clinic.
- $1,000,000 Other Funds for disbursement to Open Meadow for the construction of a new facility for the Open School in Portland.
- $1,000,000 Other Funds for disbursement to the Boys and Girls Clubs of Portland Metropolitan Area for a new Boys and Girls Club in Rockwood.
- $500,000 Other Funds for disbursement to the City of Grants Pass for the Riverside Park renovation project.
- $1,000,000 Other Funds for disbursement to the Mountain West Career Technical Institute for the Career Technical Education Center in Salem.
- $2,000,000 Other Funds for disbursement to Wheeler County for the construction of an underground fiber optic telecommunication line from Condon to Fossil.
- $1,500,000 Other Funds for disbursement to the Port of Umatilla for facilities development at the Eastern Oregon Trade and Event Center in Hermiston.
- $3,000,000 Other Funds for disbursement to Trillium Family Services for improving and expanding the Children's Farm Home near Corvallis which houses the Secure Adolescent Inpatient Program.
- $1,600,000 Other Funds for disbursement to the Port of Morrow for development of an Early Childhood Development Center at the workforce training center at the Port of Morrow.

- $1,500,000 Other Funds for disbursement to the City of Tigard for the Hunziker Development Project.

Senate Bill 5507 includes a one-time $400,000 General Fund appropriation to the Department of Administrative Services for a community-based organization, the YWCA of Greater Portland, to administer the Family Preservation Program (FPP) at Coffee Creek Correctional Facility. The FPP works with the Department of Corrections (DOC) to serve the best interests of the children of incarcerated parents by increasing therapeutic visitation between children and parents. The YWCA of Greater Portland is expected to provide facilitated case management including:

- Participation of a qualified mental health professional with training and experience with persons who have experienced trauma,
- Parenting skills training, including information on child development and attachment,
- Intensive communication between parents and the guardian or caregiver of the child,
- Facilitation of transportation of program participants to and from the prison,
- Facilitation of lodging to program participants when determined to be appropriate,
- Referrals to home visiting services and attorney services,
- Assistance in navigating state agency processes and nonprofit resources, and
- Reporting to the Legislature on measurable outcomes related to the welfare of the participating children and recidivism of participating incarcerated parents.

While the YWCA of Greater Portland will implement the program, DOC also has a role in the program's success. A budget note is included in the DOC section of this report to clarify the DOC role in administering the Family Preservation Program.

Office of the Governor

The Office of the Governor is increased by $1,332,517 Lottery Funds for the establishment of five regional solutions coordinator (PEM/F) positions (4.92 FTE). Three of these positions were in the Office of the Governor on a limited-duration basis during the 2013-15 biennium. The other two positions were in the Oregon Business Development Department on a limited-duration basis during the 2013-15 biennium.

The Office of the Governor is increased by $500,000 General Fund for federal programs coordination. The increase includes one PEM/G position (1.00 FTE) for the program, as well as any needed services and supplies. This function had previously been housed in the Oregon Business Development Department.

Public Employees Retirement System

The Subcommittee increased the Other Funds expenditure limitation by $509,960 for the estimated fiscal impacts of House Bill 3495 ($284,960) and Senate Bill 370 ($225,000).

The Department of Administrative Services is expected to unschedule $509,960 of expenditure limitation that may only be scheduled based upon the joint approval of the Office of the State Chief Information Officer and the Legislative Fiscal Office and after a more detailed evaluation of the information technology implementation plans for these two measures.

Department of Revenue

The Subcommittee approved funding for the second of a four phase project to replace most of the agency's core information technology systems (Core Systems Replacement project). The second phase includes: personal income, transit, self-employment, Senior Property Deferral, and estate and trust tax programs. The scheduled implementation date for this phase is December 1, 2015.

The Subcommittee approved $25,929,440 of Other Funds expenditure limitation and the establishment of 33 permanent full-time positions (33.00 FTE), which is to be mostly financed with Article XI-Q bonds approved in House Bill 5005 ($19 million). Project revenues also include an estimated $6.9 million in bond proceeds that were authorized and issued during the 2013-15 biennium, but remained unexpended.

The Other Funds budget includes: personal services of $7 million; $532,500 for facility costs; $12.6 million for vendor contract payments; $1.3 million for an independent quality assurance; $592,900 for project management costs; $532,500 for change leadership; $279,000 for hardware and software; and $3 million for a contingency reserve.

Unless otherwise approved by the Legislature or the Emergency Board, the positions budgeted for the Core Systems Replacement (CSR) project are established as permanent full-time positions under the following conditions: (a) the positions will be abolished on or before the completion of the project; (b) the positions are to remain in the Core System Replacement program (i.e., CSR summary cross reference) and may not be transferred to any other program or used for any other purpose other than the development to the Core System Replacement project; and (c) the positions may not be included in any permanent finance plan action.

The Subcommittee approved $3,935,414 General Fund for the agency's payments to the Department of Administrative Services for State Data Center charges related to phase-I of the project ($1.3 million), vendor contract maintenance costs to support the ongoing maintenance of the vendor product after installation ($2.4 million), and non-bondable expenditures related to phase-II of the project ($240,000).

The Subcommittee approved $3,684,413 in additional General Fund Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in House Bill 5005.

Other Funds expenditure limitation of $375,000 is included for the cost of issuance of the bonds.

The Subcommittee adopted the Joint Committee on Ways and Means – Information Technology Subcommittee recommendations for the Core Systems Replacement project:

- Continue to work closely with and regularly report project status to the Office of the State Chief Information Officer and the Legislative Fiscal Office throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.
- Report back to the Joint Interim Committee on Ways and Means on project status in the Fall of 2015 (on readiness to proceed with the CSR Project's Rollout 2 in December 2015), and to the Joint Committee on Ways and Means during the 2016 legislative session.

- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management system as it is deployed for all project review, approval, project status, and QA reporting activities throughout the life of the Core Systems Replacement Project, to include information on the new Fraud Analytics and Detection project planning and execution activities funded by package 151.

The Subcommittee also approved funding for the implementation of the Property Valuation System project, which is a commercial-off-the-shelf solution for an integrated appraisal application.

The Subcommittee approved $1,880,000 of Other Funds expenditure limitation for project costs and the establishment of one permanent full-time position (0.92 FTE), which is to be financed with Article XI-Q bonds approved in House Bill 5005. This includes personal services of $175,260; $56,704 for capital outlay; $1.5 million for vendor contract payments; and $150,000 for an independent quality assurance.

Other Funds expenditure limitation of $80,000 is included for the cost of issuance of the bonds.

The Subcommittee approved $71,843 in General Fund Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in House Bill 5005.

The Department of Administrative Services is expected to unschedule $1.5 million of Other Funds expenditure limitation that may only be scheduled based upon the joint approval of the Office of the State Chief Information Officer, Department of Administrative Services – Chief Financial Office, and the Legislative Fiscal Office.

The Subcommittee adopted the Joint Committee on Ways and Means – Information Technology Subcommittee recommendations for the Property Valuation project:

- Continue to work closely with and regularly report project status to the OSCIO and LFO throughout the lifecycle of the proposed DOR Property Valuation System (PVS) project.
- Follow the Joint State CIO/LFO Stage Gate Review Process.
- Hire/retain or contract for qualified project management services with experience in planning and managing projects of this type, scope, and magnitude.
- Update the Business Case and foundational project management documents as required.
- Work with OSCIO to acquire Independent Quality Management Services as required to conduct an initial risk assessment, perform quality control reviews on the Business Case and foundational project management documents as appropriate, and perform ongoing, independent quality management services as directed by the OSCIO.
- Submit the updated Business Case, project management documents, initial risk assessment, and QC reviews to the OSCIO and LFO for Stage Gate Review.
- Report back to the Legislature on project status during the 2016 legislative session and/or to interim legislative committees as required.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management system as it is deployed for all project review, approval, project status, and closeout reporting activities throughout the life of the DOR PVS project.

Secretary of State

The Subcommittee approved omnibus budget adjustments that include a $1,149,279 total reduction in state agency assessments and billings for the Audits Division. Secretary of State revenues after this reduction remain sufficient to fully support the legislatively adopted budget for the Division and the Secretary of State.

Treasurer of State

The Subcommittee adopted the following budget note related to the intermediate term pool investment program, with the expectation that the State Treasurer also report on what education and training can be provided local governments on the benefits and risks associated with investing in the intermediate term pool. The Subcommittee also expressed an interest in being provided a comprehensive list of state agencies that should be considered candidates for making investments in the existing state intermediate term investment pool:

> **Budget Note:**
> The State Treasurer is requested to report to the interim Joint Committee on Ways and Means during Legislative Days in November 2015 on local and tribal government investment opportunities in the intermediate term pool or other intermediate term pooled investment options offered by the State Treasurer.
>
> The report is to define how, and when, the program will be implemented; how investments will be made, overseen, and administered; the status of development of administrative rules; and how the program compares to the existing state intermediate term investment pool.
>
> The cost of administering the program is to be detailed, including both State Treasury and third party costs, and the basis on which local and tribal governments will be charged.
>
> The agency is to identify the potential level of participation, both immediate and over the long-term, as well as the level of potential investment. The agency is to report on the number of pending and signed investment agreements. The agency is to identify how it will accommodate future demand for program growth as well as any short-term program capacity or resource constraints issues.

CONSUMER AND BUSINESS SERVICES

Public Utility Commission

House Bill 2599 (2015) relates to termination of electric or natural gas service. It requires utilities that provide electricity or natural gas service to prepare reports on processes the utilities use to not terminate for non-payment utility service to homes during very hot or very cold weather. To ensure legislative review of these reports, the Subcommittee approved the following budget note:

> **Budget Note:**
> The Public Utility Commission is directed to collect reports from the governing boards of all independent utilities in the state on each utility's program to ensure health and safety of vulnerable Oregonians during possible utility shutoffs that might take place during extreme weather situations. The Public Utility Commission will present a summary of the reports to the appropriate committees during the 2016 legislative session.

ECONOMIC AND COMMUNITY DEVELOPMENT

Oregon Business Development Department

The Subcommittee increased Oregon Business Development Department expenditures by $257,767,573, including $4,089,357 General Fund, $1,500,000 Lottery Funds, $227,178,216 Other Funds, and $25,000,000 Nonlimited Other Funds.

Lottery Funds increases include $1 million to supplement funding for the Regional Accelerator Innovation Network, and $500,000 for transfer to the Oregon Growth Fund managed by the Oregon Growth Board. The additional funds for the Regional Accelerator Innovation Network bring total Lottery Funds support for the Network to $2 million. Lottery Funds expenditures approved in this bill for the two programs are approved on a one-biennium basis and will be phased out in the development of the agency's 2017-19 biennium current service level budget.

Other Funds budget adjustments were approved for bond-funded programs approved in Senate Bill 5005 and House Bill 5030. The Other Funds expenditure limitation increases approved include:

- $175 million of net Article XI-M general obligation bond Other Funds proceeds for seismic rehabilitation grants for schools. The proceeds are projected to finance approximately 115 school seismic rehabilitation projects during the 2015-17 biennium, and represent a more than eleven-fold increase over the $15 million level of school seismic rehabilitation grant funding provided in the 2013-15 biennium. The Subcommittee also added $4,089,357 General Fund to pay debt service on the bonds. The debt service funds are projected to allow the State Treasurer to issue $50 million of net bond proceeds in the Spring of 2016, and the remaining $125 million of bond proceeds in Spring of 2017. Debt service costs for the school seismic bonds are expected to total $28.7 million General Fund, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added $1,870,000 Other Funds for the costs of issuing the Article XI-M bonds. These costs are paid from the gross proceeds of the bond sale. The agency may need to add staff to manage grant award activity associated with the Spring 2017 bond sale.
- $30 million of net Article XI-N general obligation bond Other Funds proceeds for seismic rehabilitation grants for emergency services facilities. The proceeds are projected to finance approximately 50 emergency services facility seismic rehabilitation projects during the 2015-17 biennium, and represent a doubling of the $15 million level of emergency services facility seismic rehabilitation grant funding provided in the 2013-15 biennium. The bonds will be issued in the Spring of 2017. Debt service costs for the emergency services facility seismic bonds are expected to total $4.9 million General Fund, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added $440,000 Other Funds for the costs of issuing the Article XI-N bonds. These costs are paid from the gross proceeds of the bond sale.
- $18 million of net Lottery bond Other Funds proceeds for deposit to the Special Public Works Fund, a revolving loan fund. The $18 million total includes $5 million specifically dedicated to finance levee inspection and repair projects as authorized by Senate Bill 306. The remaining $13 million of bond proceeds may be applied to any eligible Special Public Works Fund projects. The funding designated for levees is projected to support approximately 17 levee projects, and the undesignated funding is projected to support an additional 11 projects. Because the bonds will be issued in the Spring of 2017, most project activity will occur after the end of the current biennium. Debt service costs for the Lottery bonds are expected to total $3.8 million Lottery Funds, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added $323,147 Other Funds for the costs of issuing the Lottery bonds. These

costs are paid from the gross proceeds of the bond sale. The $18 million of bond proceed expenditures were added to the agency budget as Nonlimited Other Funds, and as such, are not included in the expenditure limitation increases included in the bill.

- $7 million of net Lottery bond Other Funds proceeds for deposit to the Brownfields Redevelopment Fund, a revolving loan fund. The funding is projected to support approximately 27 brownfields redevelopment projects. Because the bonds will be issued in the Spring of 2017, most project activity will occur after the end of the current biennium. Debt service costs for the Lottery bonds are expected to total $1.5 million Lottery Funds, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added $129,239 Other Funds for the costs of issuing the Lottery bonds. These costs are paid from the gross proceeds of the bond sale. The $7 million of bond proceed expenditures were added to the agency budget as Nonlimited Other Funds, and as such, are not included in the expenditure limitation increases included in the bill.

- $13 million of net Lottery bond Other Funds proceeds for Regional Solutions capital construction priority projects identified by Regional Solutions Advisory Committees. The funding is projected to support approximately 28 capital construction projects in ten of the state's eleven Regional Solutions regions. The projects are funded with a combination of $995,000 of Lottery bond proceeds remaining from the Spring 2015 bond sale and $12,005,000 of new bond proceeds from Lottery bonds that will be issued in the Spring of 2017. Because most of the funding will become available late in the biennium, most project activity will occur after the end of the current biennium. Debt service costs for the Lottery bonds are expected to total $2.6 million Lottery Funds, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added $243,677 Other Funds for the costs of issuing the Lottery bonds. These costs are paid from the gross proceeds of the bond sale. The Subcommittee approved $13 million of support to fund projects on the identified Regional Solutions project list that total more than $14 million in costs. The project list is posted on the Oregon Legislative Information System website with the Capital Construction Subcommittee July 3, 2015 meeting materials. The agency is directed to best apply the available funding toward the project list identified costs, taking into consideration other possible funding sources available for individual projects. If the agency determines that funds would be better utilized to support other projects not on the identified project list, it must obtain legislative approval to do so before the lottery bonds are issued. The agency is also expected to work with the Governor's Office to allow the agency to review proposed Regional Solutions projects to ensure they meet certain criteria, including: supporting job growth and retention, obtaining leverage from other sources, possessing a clear business plan for sustainability without additional state funding, meeting regional priorities recommended by a Regional Solutions Advisory Committee, and, if bond proceeds are requested as the funding source, qualifying as a capital construction project.

- $4.5 million of net Lottery bond Other Funds proceeds for cultural capital construction projects. The funding is specifically dedicated as follows: $2 million for the Oregon Shakespeare Festival, $1.5 million for the Portland Japanese Garden, $600,000 for Oregon Public Broadcasting, and $400,000 for the Aurora Colony Museum. The bonds will be issued the Spring of 2017. Debt service costs for the Lottery bonds are expected to total approximately $956,000 Lottery Funds, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added $68,184 Other Funds for the costs of issuing the Lottery bonds. These costs are paid from the gross proceeds of the bond sale. The $4,568,184 of bond proceeds and costs of issuance expenditures were added to the agency's Arts and Cultural Trust Other Funds expenditure limitation.

- $1,562,157 of net Lottery bond Other Funds proceeds for repairs and upgrades to the Port of Brookings Harbor dock. The bonds will be issued in the Spring of 2017. Debt service costs for the Lottery bonds are expected to total approximately $300,000 Lottery Funds, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added $41,812 Other Funds for the costs of issuing the Lottery bonds. These costs are paid from the gross proceeds of the bond sale. The $1,603,969 of bond proceeds and costs of issuance expenditures were added to the agency's Infrastructure Finance Authority Other Funds expenditure limitation.

Housing and Community Services Department

Other Funds expenditure limitation is increased by $10 million for additional payments anticipated due to the passage of House Bill 3257, which extended until 2018 the period under which an additional $5 million annually could be collected from residential electricity consumers for low income bill payment assistance. The funds are collected from utilities, transferred to the Housing and Community Services Department, and distributed to eligible Oregonians by local Community Action agencies under contract.

Other Funds expenditure limitation for the Housing and Community Services Department is increased by $585,000, attributable to cost of issuance for $40 million in Article XI-Q bonds issued for affordable housing development. The housing to be developed with the bonds will be targeted to low income individuals and families, pursuant to the provisions of House Bill 2198. That bill directs the Department to distribute the resources available based on criteria including geography, market data, need, and other factors, and directs the Department to develop the housing with the advice of the State Housing Council and to work with stakeholders to achieve objectives that include reducing project costs and reaching underserved communities. It is assumed that the investment will result in an estimated 1,600 units of new affordable housing developed. Expenditure limitation for a period of six years for the project amount ($40 million) is located in House Bill 5006.

Other Funds expenditure limitation in the amount of $2,551,972 is included to enable the Housing and Community Services Department to expend proceeds from Lottery bonds for preservation of affordable housing with expiring federal subsidies. Of this amount, $2.5 million is attributable to project costs, and $51,972 is related to cost of issuance.

Eligible projects for which these funds can be expended are defined as the following:

- Privately owned multi-family rental properties where at least 25% of the units are subsidized by a project-based rental assistance contract through the USDA Rural Development or the US Department of Housing and Urban Development;
- Existing manufactured housing communities to be acquired by a mission-based non-profit organization, resident cooperative, tenants' association, housing authority, or local government; or
- Public housing projects undergoing a preservation transaction which involves a comprehensive recapitalization, and which will secure ongoing rental subsidies.

Other Funds expenditure limitation in the amount of $20,307,817 is included to enable the Housing and Community Services Department to expend proceeds from Lottery bonds for the purpose of financing construction of housing for individuals with mental illness or addiction disorders. Of this amount, $20 million is attributable to project costs, and $307,817 is related to cost of issuance. This limitation applies to the 2015-17 biennium only, as the project is not anticipated to be recurring. To the extent that proceeds are not fully expended for mental health

housing in 2015-17, the 2017-19 agency request budget should include a request that limitation for remaining proceeds be carried forward into the 2017-19 biennium. The Housing and Community Services Department will develop a process similar to but separate from its existing "Notice of Funds Availability" that is currently used to identify partners and financing for affordable housing projects. The Oregon Health Authority will work with the Housing and Community Services Department (HCSD) throughout the process of utilizing the $20 million of bonding proceeds for the development of housing for individuals with mental illness or addictions disorders. The Oregon Health Authority will continue to work with their partners, including the National Alliance on Mental Illness (NAMI) and the Oregon Residential Provider Association (ORPA), as well as other stakeholders, to set up a workgroup that will be responsible for providing recommendations on project priorities to HCSD.

Department of Veterans' Affairs

Additional one-time General Fund in the amount of $500,000 is appropriated to the Oregon Department of Veterans' Affairs for support for County Veterans' Service Officers. This is in addition to the $246,046 General Fund investment above the 2015-17 current service level that was included in the Department's budget bill, Senate Bill 5539. With this increase, the amount of General Fund directed to County Veterans' Service Officers for the 2015-17 biennium will total $4.7 million, $4.2 million of which is intended to be ongoing in future biennia.

EDUCATION

Department of Education

The Subcommittee approved a net increase of $51,990,543 General Fund and $66,009,457 million Lottery Funds for the State School Fund. The increase reflects three separate actions:

- An increase of $105,782,400 General Fund represents the increase due to the "trigger" included in the State School Fund bill (House Bill 5017) which directed to the State School Fund 40 percent of any General Fund increase in the 2015-17 revenue estimates between the March 2015 and the May 2015 forecasts;
- An additional $12,217,600 General Fund is made available for the State School Fund beyond the amount resulting from the "trigger"; and
- A decrease of $66,009,457 General Fund and a corresponding $66,009,457 Lottery Funds increase is recommended to balance the use of available Lottery Funds across the entire state budget.

The Legislature assumes the State Land Board will increase the distribution from the Common School Fund from the current four percent to a five percent distribution which results in an estimated increase of $27,544,741 of revenue available to districts through the school funding formula. If the State Land Board takes this action, there will be an equivalent of just over $7.4 billion in combined General Fund, Lottery Funds, and these additional Common School Funds resources for the 2015-17 biennium.

House Bill 5017, the State School Fund bill, split the amount available to be distributed from the State School Fund between the two school years on an even basis or $3,629,130,346 in each school year. The Subcommittee approved placing all of the additional State School Fund resources made available in this bill to be distributed in 2016-17, the second school year of the biennium. This results in a split between the two school years of 49.2 percent for 2015-16 and 50.8 percent for 2016-17.

The Subcommittee approved a one-time $3,300,000 General Fund increase in the appropriation for the Department of Education's nutrition programs relating to the Farm to School program under ORS 336.431. This increase is over and above the current $1,219,189 General Fund appropriation included in the Department of Education's budget bill (House Bill 5016) for this program. It is anticipated that grants under this program will be changed by language in Senate Bill 501 that is intended to increase participation in the program by school districts. The Department of Education may use up to two percent of the total funding for the Farm to School program under ORS 336.431 for the administration of the program. Of the remaining amount, the Department is instructed to allocate approximately 80% of the remaining funding for the noncompetitive grants and approximately 20% of the remaining funding for competitive grants.

The Subcommittee increased the funding for Relief Nurseries in the Early Learning Division by a one-time $700,000 General Fund appropriation. This brings the total amount of state funding for Relief Nurseries to $8,300,000 General Fund.

The Subcommittee approved a one-time increase of $500,000 General Fund for the new leadership program designed to recruit and train "district turnaround leaders" to assist schools and districts to increase their overall achievement measures. This increase and the amount included in the budget bill for the Oregon Department of Education (House Bill 5016) brings the total amount of funding for this program to $2,000,000 General Fund.

The Subcommittee approved the establishment of an Other Funds expenditure limitation of $126,210,000 for the proceeds of Title XI-P general obligation bonds, which are for grants to assist school districts with their capital costs of facilities. The grant, funded with bond proceeds, provided to each district must be matched by the district to finance capital costs for projects that have received voter approval for locally issued bonds. State bond proceeds may not be used for operating costs of the district. The bonding bill (House Bill 5005) includes the authorization for issuing $125,000,000 of Title XI-P bonds. Costs of issuance are estimated at $1,210,000 Other Funds.

Budget Note:
The Department of Education is instructed to use $500,000 General Fund from the Early Intervention/Early Childhood Special Education (EI/ECSE) budget to support two to four communities in developing pathways from screening to services to make it easier for families to receive services that screening identifies. Use of this funding is aligned with best practices for how EI/ECSE programs should address the needs of children and their families who do not meet the legal requirements for eligibility and connect them to other services and supports. The Early Learning Council shall report on the progress and outcomes of this work to the appropriate legislative committee and include any recommendations for the 2017 legislative session.

Budget Note:
Given the expanded Healthy Families Oregon home visiting funding added to the Early Learning Division's budget, the Early Learning Division and the Oregon Health Authority are instructed to:

- Develop a set of outcome metrics connected to evidence of impact for consideration by the Early Learning Council and the Oregon Health Policy Board that any home based service that receives state dollars must meet in order to continue to receive state funds, effective July 1, 2016;
- Develop a plan and timeline for integrating the state's professional development system for early learning providers with the emerging professional development system for home visitors; and
- Develop a common program agnostic screening tool to identify potential parent/child risk factors and intake form for families who are eligible for home visiting services and require implementation by state funded home visiting programs by July 1, 2016.

The Early Learning Division and the Oregon Health Authority shall report on progress to the appropriate legislative committee.

Budget Note:
The Department of Education is instructed to survey school districts on the financial effects of the: (1) adaptation of new instructional hour minimums, (2) mandated full scheduling of 92 percent of students, and (3) projections for programs and personnel possibly eliminated in order to comply with these mandates at current budget levels. The Department is to report back to the Joint Committee on Ways and Means by February 1, 2016.

Higher Education Coordinating Commission

The Subcommittee approved a one-time $1,500,000 General Fund appropriation to fund academic counselors at community colleges during the second academic year of the biennium. Community Colleges currently have limited academic counseling services in place. With the potential of more students as a result of the tuition waiver grant program established in Senate Bill 81, there is concern that those limited resources will be stretched even further. Prior to the distribution of these funds, the Higher Education Coordinating Commission is to report to the Joint Committee on Ways and Means during the 2016 legislative session or to the Emergency Board what factors or variables will determine the distribution of these funds.

The Subcommittee approved the establishment of a $1,542,827 Other Fund expenditure limitation for a grant to the Linn Benton Community College for the construction and capital expenditures for the Advanced Transportation Technology Center. This Center is established to advance statewide transportation energy policy as well as to provide education and training of students at the Community College. The project is to include an automotive technician training center with an alternative fuel area, a heavy transportation/diesel training center, an innovation center, and an anaerobic digester for renewable gas production. The Other Funds expenditure limitation increase represents the $1,500,000 state share of the project cost and $42,827 for the cost of issuing the bonds. Both of these items are funded through the sale of Lottery bonds.

The Subcommittee approved $2,500,000 General Fund for the College of Forestry at Oregon State University to operate a center for the manufacturing and design of advanced wood products in cooperation with the University of Oregon. The $2.5 million represents a partial biennium of expenses, and as such, state support for the center rolls up to $3,400,000 in the 2017-19 biennium. The Subcommittee also approved $300,000 General Fund on a one-time basis for use by Eastern Oregon University for costs associated with starting a collegiate wrestling program.

The Subcommittee approved a one-time $350,000 General Fund appropriation to the Higher Education Coordinating Commission (HECC) for a grant to the College Inside program. This is a program designed to allow incarcerated students obtain a two-year college degree that is transferable to a four-year university.

The Subcommittee approved a one-time $350,000 General Fund appropriation to Higher Education Coordinating Commission (HECC) for a grant to the College Possible organization. This program provides mentoring, coaching, and other assistance to low income students to encourage them to go to college and help them apply for college and financial aid.

The Subcommittee approved a $62,300 General Fund appropriation for use by Oregon Solutions at Portland State University to pay the expenses of the Task Force on the Willamette Falls Navigation Canal and Locks as they conduct the work directed in SB 131.

The Subcommittee clarified that of the $151,390,838 General Fund increase approved for the Public University Support Fund program area in House Bill 5024, $41,095,238 was for continuation of the tuition buy down funding provided to public universities in House Bill 5101 (2013 Special Session).

The Subcommittee approved a $4,477,055 increase in the Other Funds expenditure limitation for payment of the costs of issuing Article XI-F general obligation bonds, Article XI-G general obligation bonds, and Article XI-Q general obligation bonds on the behalf of community colleges and public universities.

The Subcommittee also approved giving the Higher Education Coordinating Commission (HECC) nonlimited authority to make Other Funds expenditures necessary to disburse general obligation bonds sold during the 2013-15 biennium for the benefit of public universities. Disbursement of future bond sales will be done by HECC, but during the 2013-15 biennium the Department of Administrative Services (DAS) was given initial authority to disburse these proceeds. As the bond project duties related to issuance of Article XI-F and XI-G general obligation bonds transition from DAS to HECC per House Bill 3199, both agencies were given nonlimited authority to disburse proceeds of bonds issued during 2013-15. The total amount of undisbursed proceeds as of June 30, 2015 from 2013-15 bond sales is $196,523,642. The initial estimate of the amount of 2013-15 proceeds HECC will disburse per agreements with public universities in 2015-17 is $50,648,642, with DAS disbursing $145,875,000. These amounts will likely change once the timing of final transition from DAS to HECC is known.

Oregon Health & Science University

The Subcommittee approved the establishment of a $200,035,000 Other Funds expenditure limitation for DAS to disburse Article XI-G bond proceeds to the Oregon Health and Science University (OHSU) to fund Knight Cancer Institute capital construction costs. In addition, the Subcommittee approved an $8,522,485 General Fund appropriation to pay debt service on XI-G bonds issued during the 2015-17 biennium for the Knight Cancer Institute project.

House Bill 3199 (2015) provided that the Department of Administrative Services (DAS) would continue to make debt service payments on behalf of OHSU on legacy debt issuance, including $30,909,888 debt service paid with Tobacco Master Settlement Agreement (TMSA) funds. To accommodate this requirement, the Subcommittee approved providing DAS with $38,689,306 Other Funds expenditure limitation to make debt

service payments. Revenue for making $7,779,418 debt service payments on non-TMSA supported Article XI-F bond debt will be provided by OHSU.

HUMAN SERVICES

Department of Human Services

To support two pilot projects in the Child Welfare program, the Subcommittee approved $800,000 General Fund and increased Federal Funds expenditure limitation by $160,000; funding is approved on a one-time basis with future program support or integration dependent on resources and pilot outcomes. The following budget note, which lays out the goals and expectations for the pilot projects, was also approved:

> **Budget Note:**
> The Department of Human Services is directed to work with community-based organizations to develop and implement two pilot programs, one serving a rural part of the state and the other one serving an urban area, to improve the quality and effectiveness of foster care for children and wards who have been placed in the Department's legal custody for care, placement, and supervision. The programs shall target youth who have experienced multiple foster care placements and who are at significant risk of suffering lifelong emotional, behavior, developmental, and physical consequences due to disrupted and unsuccessful placements in the foster care system. The following services for foster parents shall be included in the programs: trauma-informed, culturally appropriate care training; behavioral supports; ongoing child development and parent training; 24-hour, daily on-call caregiver support; respite care; tutoring; and assistance with locating immediate and extended healthy, biological family members.
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> Each pilot program will have an advisory group that includes at least one individual who has experienced multiple placements in the foster care system and at least one foster parent. The legislative expectation is that at least $800,000 of the total funding for the pilots will be provided directly to community-based organizations to deliver program services. On or before May 1, 2017, the Department shall report to the legislative committees having authority over the subject areas of child welfare and juvenile dependency regarding the status of the pilot programs and, to the extent possible, placement outcomes for children and wards who participated in the pilot program and children and wards not receiving pilot program supports. The Department will also provide an update on the pilot projects as part of its budget presentation during the 2017 legislative session.

To provide and test targeted community college career pathway training opportunities for Temporary Assistance for Needy Families and Employment Related Day Care clients, the Subcommittee approved $500,000 General Fund for a one-time pilot project in Jackson and Josephine counties. Eligible clients will be in enrolled training programs that match up with in-demand, high wage job openings, such as in the healthcare or information technology areas. Clients will receive a scholarship/stipend to help augment Pell grants, with average awards expected to be about $2,000 per client; about 150 clients are estimated to participate in the program over the biennium. The pilot project is a joint effort between the Rogue Workforce Partnership, the Oregon Employment Department, and the Department of Human Services.

The Subcommittee approved $350,000 General Fund to provide transitional (one-time) funding for the Home Care Commission's private pay registry. This program, which enables private payers to buy home care services through the home care registry, was authorized by House Bill 1542 (2014) and is expected to be fee supported once fully up and running in January 2016.

The Subcommittee approved $1,800,000 General Fund to restore a reduction made in the primary budget bill for the Department (House Bill 5026). The funding will provide ongoing support for options counseling provided through the Aging and Disability Resource Connection (ADRC). The program helps people identify their long term care needs and preferences, understand the service options available to them, and make decisions about their care.

The Subcommittee approved $400,000 General Fund, on a one-time basis, to increase support funding for the Oregon Hunger Response Fund (Oregon Food Bank); between funding in both the DHS and the Housing and Community Services Department budgets, a total of $3.2 million General Fund is now appropriated in the 2015-17 biennium to help the fund fight hunger.

The Subcommittee approved $150,000 General Fund to provide ongoing support for the Hunger Task Force, which is charged with advocating for hungry persons, and contributing to the implementation and operation of activities and programs designed to alleviate or eradicate hunger in Oregon. House Bill 2442 (2015) designates the Department of Human Services as the entity in administering the state policy on hunger and also requires the agency to support and staff the task force, based upon the availability of legislatively approved funding for such purposes.

To cover Phase II development and implementation of a streamlined and integrated Statewide Adult Abuse and Report Writing System, the Subcommittee approved $2,277,037 General Fund and $3,355,000 Other Funds expenditure limitation ($5.6 million total funds). Phase I planning funding was approved by the Emergency Board in May 2014, based upon demonstrated need for a stable, integrated adult abuse data and report writing system to deal with Oregon's growth in an aging population, an annual increase of 5-8% in abuse referrals, and an increased need for services across all demographics. The Other Funds portion of the project will be financed with Article XI-Q bonds; the General Fund amount includes $839,543 to cover debt service payments in the second year of the biennium.

The Department will continue its work on the project according to direction from the Joint Ways and Means Subcommittee on Information Technology, which recommended incremental and conditional project approval. Required actions under that guidance include, but are not limited to, working closely with and regularly reporting project status to the Office of the State Chief Information Officer (OSCIO) and Legislative Fiscal Office (LFO), while following the joint OSCIO/LFO Stage Gate Review Process. A detailed list of next steps and requirements was transmitted to the agency. The Department of Administrative Services is expected to unschedule the General Fund and Other Funds expenditure limitation for the project pending finalization of a controlled funding release plan that is tied to planning needs and the completion of certain stage gate requirements. Funding may be rescheduled with the joint approval of the OSCIO, the Chief Financial Office, and LFO.

House Bill 5026 included a rate increase for providers serving people with Intellectual and Developmental Disabilities (IDD). To ensure clarity of legislative direction regarding implementation of the rate increase, the Subcommittee adopted the following budget note:

Budget Note:
It is the intent of the Legislature that $26.7 million total funds in provider rate increases approved in House Bill 5026 (budget bill for the Department of Human Services) result in wage increases for direct care staff serving people with intellectual and developmental disabilities (IDD). The legislative expectation is that compensation (wages and/or benefits) for direct care staff in programs serving people with IDD should be increased by at least 4% during the 2015-17 biennium.

During the 2016 legislative session, an informational hearing will be scheduled for IDD community providers to present the actions they have taken or plan to take to meet budget note requirements. On a parallel track and prior to seeking an allocation from the special purpose appropriation, the Department of Human Services will compile information on any complaints received regarding wage increases and consult with legal counsel and contract staff to determine the best, yet most cost-effective, approach to address potential provider non-compliance. The Department will also report to the Joint Committee on Ways and Means during the 2017 legislative session on activity related to and progress made under this budget note.

For the same program, the Subcommittee approved the budget note set out below on exploring a provider assessment component to help fund IDD programs. Along with the required reporting, and depending on assessment's content or results, the Department may also work with the appropriate interim policy committee on potential statutory changes.

Budget Note:
The Department of Human Services shall work with the intellectual and developmental disabilities (IDD) provider community and appropriate state and federal agencies to assess the feasibility, potential benefits, and potential drawbacks of a provider assessment, or transient lodging tax, on the provider organizations serving adults with IDD, with the goal of maximizing federal matching funds for IDD services and addressing the direct care workforce shortage. The Department shall report the results of its assessment to the Legislature by December 1, 2015.

Oregon Health Authority

Senate Bill 5507 approves $10,000,000 one-time General Fund resources to provide grants to safety net providers, through the Safety Net Capacity Grant Program. This program will provide grants to community health centers, including Federally Qualified Health Centers and Rural Health Centers, as well as School-Based Health Centers, with the goal of providing services for children not eligible for any current state program. The agency will need to develop an application process for these competitive grants; develop a process to award the grants, including amounts to fund education and outreach to the target population; develop a process for clinics to report services rendered; provide reporting to the Legislature and stakeholders; and include a stakeholder engagement process to advise the program development and implementation. The agency expects to fund two full-time positions out of this total funding, in order to implement the program as described.

Because of the continuing transition of the Oregon Health Plan caseload, the Subcommittee recognized the increased risk of caseload forecast changes. A special purpose appropriation of $40 million is made to the Emergency Board for caseload costs or other budget challenges in either the Oregon Health Authority (OHA) or Department of Human Services. The Subcommittee included two budget notes related to the Oregon Health Plan:

Budget Note:
The Oregon Health Authority shall engage in a rural hospital stakeholder process to gather input on potential transformation strategies to ensure that Oregon's small and rural hospitals continue to be sustainable in the future. Potential transformation strategies could include grant or bridge funding, transformation pilot programs, or incentive programs to assure funding stability for hospitals and access to health care services for rural Oregonians. Based on the work with stakeholders, OHA will develop a set of recommendations.

OHA shall report to the Joint Committee on Ways and Means Committee during the 2016 legislative session on any hospital assessment revenues received for the 2013-15 biennium and available for use in 2015-17. The revenue may include assumed hospital assessment revenue in the OHA 2015-17 budget or any additional hospital assessment revenue not included in the OHA budget, that could potentially be used to fund one or more of the strategies recommended, but not to exceed $10 million. The agency should include in that report any information on federal matching resources that may be available for those strategies.

Budget Note:
The Oregon Health Authority is directed to prepare a report in collaboration with the Employment Department stating the number of Oregonians enrolled in the Oregon Health Plan while employed at least 260 hours in any calendar quarter by a company with 25 or more employees. This report should be presented to the interim Joint Committee on Ways and Means, Subcommittee on Human Services no later than January 2016.

The Subcommittee approved a one-time appropriation of $160,000 General Fund for OHA to contract with the Dental Lifeline Network, or other qualified organization, for development and operation of a Donated Dental Services program to benefit needy, disabled, aged, and medically compromised individuals. The program will establish a network of volunteer dentists, including dental specialists, to donate dental services to eligible individuals, establish a system to refer eligible individuals to appropriate volunteers, and develop and implement a public awareness campaign to educate individuals about the availability of the program. The program will report to OHA at least annually the number of people served, procedures during the year, procedures completed, and the financial value of the services completed. The funding is part of a commitment to spending on senior programs that originated in the 2013 special session.

The Subcommittee approved $200,000 General Fund for providing fresh Oregon-grown fruits, vegetables, and cut herbs from farmers' markets and roadside stands to eligible low-income seniors under the Senior Farm Direct Nutrition Program. Another $100,000 General Fund was added for the same purpose for eligible individuals through the Women, Infants and Children Program. Both these program enhancements are one-time.

General Fund was increased by $600,000 for school-based health centers. This funding will provide state grants of $300,000 to three new school-based health centers that recently completed their planning processes. It will also allow the agency to provide $300,000 of funding to existing school-based health centers to bring all centers closer to parity in state funding.

Other Funds expenditure limitation is increased by $137,152 to increase the staffing level for the Pesticide Analytical Response Center by one half-time position (0.50 FTE). Funding for the position will come as a special payment from the Department of Agriculture supported by an increase in pesticide product registration fees.

The Subcommittee directed the Oregon Health Authority to collaborate with the Department of Consumer and Business Services and the University of Oregon, in the following budget note:

> **Budget Note:**
> The Oregon Health Authority, in collaboration with the Department of Consumer and Business Services, shall work with the University of Oregon on the vaccination program for meningitis. The Department of Consumer and Business Services shall ensure timely insurance coverage is covering appropriate costs for those with insurance. The Oregon Health Authority shall, within existing emergency preparedness funds, work with the University of Oregon on funding appropriate costs. The Oregon Health Authority and the University of Oregon shall report to the appropriate legislative committee the final cost of the program including any additional funding needs by December 2015 and any recommendations to ensure effective and efficient response to any future events.

Lottery bond proceeds of $20 million were approved for the development of housing for individuals with mental illness or addiction disorders, through the Housing and Community Services Department (HCSD). OHA will work with HSCD throughout the process used to identify partners and financing for projects. OHA will continue to work with their partners, including the National Alliance on Mental Illness and the Oregon Residential Provider Association, as well as other stakeholders, to set up a workgroup that will be responsible for providing recommendations on project priorities to HCSD.

Lottery bond proceeds of $3 million were approved to fund a portion of the costs to build a new sixteen-bed facility for the Secure Adolescent Inpatient Program, run by Trillium Family Services. These funds will be distributed through the Department of Administrative Services. This project will replace old, obsolete facilities at the Children's Farm Home campus near Corvallis. This program serves adolescents at the highest level of mental health acuity in the state, including children on the Oregon Health Plan, and those referred through the Oregon Youth Authority and the Juvenile Psychiatric Security Review Board.

The following budget note was included related to the Addictions and Mental Health programs:

> **Budget Note:**
> The Oregon Health Authority shall conduct a minimum of five community meetings in a variety of geographic locations across the state. The goal of the community meetings is to capture, understand, and report to the Legislature on the experience of children, adolescents, and adults experiencing mental illness and their ability to access timely and appropriate medical, mental health and human services to support their success in the community. The meetings shall not be restricted to publicly financed services or individuals eligible for public benefits. The focus will be on the entirety of the Oregon mental health system, both public and private. Issues to be considered should include but not be limited to:
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> - Access to child and adolescent services
> - Boarding in hospital emergency rooms
> - Access to housing, addiction, and recovery services
> - Family support services
> - Waiting periods for services

- Workforce capacity
- Affordability for non-covered individuals to access mental health services
- Coordination between behavioral health and physical health services

The Oregon Health Authority shall consult and coordinate with stakeholders to plan and conduct the community meetings. The Oregon Health Authority is expected to report progress and findings to the appropriate legislative committees and the 2016 Legislature.

The Subcommittee included the following direction in regards to fee-for-service (both Medicaid and non-Medicaid) rate increases to addiction treatment providers:

Budget Note:
The Oregon Health Authority will use $3.5 million of the $6 million included in the new investments for A&D services included in the OHA 2015-17 budget to increase rates to addiction treatment providers. OHA will report the final rate increases to the interim Joint Committee on Ways and Means by November 2015.

Long Term Care Ombudsman
The Subcommittee added $100,000 General Fund on a one-time basis to provide interim support for the agency as it continues to ramp up new programs, including advocacy for residents of independent living sections of Continuing Care Retirement Communities as required under Senate Bill 307 (2015). The agency has also been undergoing a leadership transition and is facing challenges in volunteer recruitment; the additional funding will allow the Long Term Care Ombudsman to contract or to make a short-term hire for program development expertise to focus on these needs over the first year of the biennium.

JUDICIAL BRANCH

Oregon Judicial Department
The Subcommittee increased Judicial Department expenditures by $40,955,000, including $700,000 General Fund, and $40,255,000 Other Funds.

The Subcommittee appropriated $100,000 General Fund to increase funding for the Oregon Law Commission. This action raises total General Fund support for the Oregon Law Commission in the 2015-17 biennium budget to $331,319, a 45.3 percent increase over the 2013-15 biennium funding level. The Subcommittee also added a one-time General Fund appropriation of $600,000, for support of the Oregon State Bar Legal Services Program (a.k.a., Legal Aid). The General Fund appropriation will supplement the $11,900,000 of Other Funds support for Legal Aid provided in Senate Bill 5514, and is approximately a 5 percent increase over the base funding level.

The Subcommittee approved Other Funds expenditure limitation increases for county courthouse capital construction projects funded through the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF). The legislatively adopted budget includes $27,775,000 of Article XI-Q bond proceeds authorized in House Bill 5005 for the courthouse capital construction projections funded through the OCCCIF. The approved

bond proceeds include $17.4 million for the Multnomah County Central Courthouse project, $2.5 million for the Jefferson County Courthouse project, and $7,875,000 for the Tillamook County Courthouse project.

The Legislature previously authorized Article XI-Q bonds for the Multnomah County and Jefferson County projects in the 2013-15 biennium budget. The Subcommittee increased the OCCCIF Other Funds expenditure limitation by $39.8 million to allow expenditures of up to $19.9 million of bond proceeds and of up to $19.9 million of required county matching funds for these two projects. The Subcommittee did not approve Other Funds expenditure limitation for the Tillamook County Courthouse project. The Judicial Department will report to the Joint Committee on Ways and Means or to the Emergency Board on the Tillamook County Courthouse project, and request Other Funds expenditure limitation for the project, prior to distributing any money from the OCCCIF for the Tillamook County Courthouse project.

The Subcommittee also increased the Judicial Department operations Other Funds expenditure limitation for operations by $455,000, for the cost of issuance of Article XI-Q bonds for OCCCIF projects.

NATURAL RESOURCES

Department of Agriculture

The Subcommittee approved a $25,000 General Fund increase to the Predator Control program, bringing the program total to $447,718 General Fund, as well as, a $30,000 General Fund increase to the Wolf Compensation and Grant Assistance program, bringing the program total to $233,000 General Fund.

The Subcommittee also approved a $1,747,018 Other Funds expenditure limitation increase to support enhancements to the Pesticides program. The enhancements include the addition of 6 positions (5.26 FTE) to the program. The positions will be made up of four pesticide investigators (NRS 3), one customer service representative (NRS 3), and one case reviewer (NRS 4). The additional investigative staff is needed to manage existing caseload requirements. Other enhancements include laboratory testing and sampling of pesticides, as well as, modification of the existing investigation and case management database. An additional $108,326 Other Funds was approved to increase the ODA staffing level for the Pesticide Analytical Response Center (PARC) by 0.50 FTE. ODA also increased the existing transfer made to the Oregon Health Authority (OHA) by $137,152 Other Funds to increase the ODA paid OHA staffing level for the Pesticide Analytical Response Center by 0.50 FTE. Revenue to support these various Other Funds increases will come from increases in pesticide product registration fees approved in House Bill 3459.

Department of Environmental Quality

The Subcommittee approved $280,000 General Fund for a Portland Harbor Statewide Coordination policy position. According to the Governor's requested budget, this is a senior-level policy position that will be housed in DEQ, but will report to the Governor's natural resources policy advisor. This Operations and Policy Analyst 4 position will be phased in on January 1, 2016 (0.75 FTE). In addition, $110,092 Other Funds expenditure limitation and one half-time NRS 3 position (0.50 FTE) was approved for implementation of the residential asbestos inspection program established by Senate Bill 705, which passed earlier this session.

Department of Fish and Wildlife

The Subcommittee approved allowing the Oregon Department of Fish and Wildlife to retain $5,000 General Fund savings from Department of Administrative Services' assessment reductions that will be used to pay for the study in Senate Bill 779. This study is to determine whether ORS 497.006 should be amended to allow additional members of the uniformed services to be considered resident persons for the purpose of purchasing licenses, tags, and permits issued by the State Fish and Wildlife Commission.

The Subcommittee approved a one-time General Fund appropriation of $500,000 to improve and protect sage grouse habitat through actions, such as juniper removal, that improve the resilience of sagebrush habitat to wildfire.

The Subcommittee also approved a $25,000 General Fund increase in state support for the Predator Control program, bringing the state support total to $453,365 General Fund.

Department of Forestry

The Subcommittee approved a one-time appropriation of $809,377 General Fund to the Fire Protection Division of the Oregon Department of Forestry (ODF) for sage grouse habitat protection and improvement. This amount is in addition to amounts contained in the agency's budget bill for the same purposes. The appropriation includes $109,377 for a limited-duration, half-time (0.50 FTE) Natural Resource Specialist 1 position and associated services and supplies to provide administrative support and technical training to rangeland protection associations. The appropriation also includes $700,000 for grants to support rangeland wildfire threat reductions. The grant funding is for eligible services, supplies, and equipment expenditures of rangeland fire protection associations and counties in addressing rangeland wildfire management and suppression on unprotected or under-protected lands. The funding is to be implemented consistent with wildfire-related provisions of Oregon's plan for addressing the conservation of the greater sage grouse and rural community vitality. Oregon will provide the funding to the Oregon Watershed Enhancement Board, which will oversee the grant program in conjunction with other ODF grant programs.

Department of Land Conservation and Development

The Subcommittee approved the reduction of the General Fund appropriation made to the Department of Land Conservation and Development for the Southern Oregon Regional Pilot Program (SORPP) in the agency's 2013-15 budget (SB 5530, 2013) in the amount of $194,000 and the re-establishment of that amount as a one-time General Fund appropriation in the 2015-17 biennium. The funding is a portion of the amount established by policy option package 107 in the agency's 2013-15 budget for the purpose of carrying out Executive Order 12-07 that the agency will not expend during the 2013-2015 biennium and that the grant recipient counties have requested to be moved forward to the 2015-17 biennium to allow additional time for the grant-funded work to be completed.

The Subcommittee approved the appropriation of $300,000 General Fund to establish a SageCon Coordinator, a limited duration Natural Resource Specialist 5 position, to lead staff participating in the SageCon Governance and Implementation Teams. The position will work closely with and take direction primarily from the Governor's Office to provide overall leadership and direction for state agencies working with public and private stakeholder interests in the energy, agricultural, and conservation sectors.

Department of State Lands

Senate Bill 5507 increases the Federal Funds expenditure limitation in anticipation of an Environmental Protection Agency (EPA) wetlands grant in an amount up to $133,000. The Department expects notification on the grant in October 2015. The Department of Administrative Services (DAS) is expected to unschedule the limitation until such time as State Lands notifies DAS and the Legislative Fiscal Office that the funds are awarded. There is an additional federal limitation increase for EPA grant carryforward in the amount of $28,488.

Parks and Recreation Department

Several adjustments are made in the Parks and Recreation Department (OPRD) budget to reflect the June 2015 Parks and Natural Resources (Measure 76) Lottery Funds forecast, an increase of $3 million over the March 2015 forecast. The distribution is $300,000 for property acquisition, $500,000 for facilities maintenance, $58,314 for direct services, and $362,326 to satisfy the constitutionally directed 12% to local governments. The remainder of the increase is applied to the ending balance. There is also an increase in Other Funds of $98,740 in direct services to keep funding and ending balances in proportion with approximate percentages of lottery and other funds expenditures.

A $970,000 fund shift from Federal Funds to Lottery Funds reimburses OPRD for using M76 Lottery Funds to secure acquisition of the Beltz Farm in 2014-15. A subsequent federal grant frees up the lottery dollars for carry-forward expenditure limitation in park development.
The State Historic Preservation Office is provided an increase in Federal Funds expenditure limitation of $70,425. The limitation will be used to pass through two federal Maritime Heritage grants that local entities have been awarded.

The 2015-17 OPRD budget included $912,494 non-Measure 76 lottery funds to provide debt service on the Willamette Falls bonding in the 2013-15 budget. The debt service is eliminated as it is not needed; the $5 million bond request has been satisfied with cash instead.

Other Funds expenditure limitation is increased by $11,716,805 for three lottery bond-funded purposes. There is no debt service in the 2015-17 biennium as the bonds will not be sold until the Spring of 2017. Debt service in 2017-19 is $2.2 million non-Measure 76 Lottery Funds.

The Portland Parks and Recreation Department is to receive $1,500,000 lottery bond proceeds passed through the Parks and Recreation Department for the Renew Forest Park project. The cost of issuance for this project is $42,071 Other Funds.

The Main Street Revitalization Grant program is funded with $2,500,000 lottery bond proceeds. OPRD will design, develop, administer, account for, and monitor the new grant program, beginning late in the 2015-17 biennium. Because new positions will be needed to manage the grants, OPRD will need to request funding for them during the 2016 legislative session. The cost of issuance for this bond sale is $51,972 Other Funds.

Lottery bond proceeds in the amount of $7,500,000 will be applied to the Willamette Falls Riverwalk project in Oregon City. The cost of issuance is $122,761 Other Funds.

Water Resources Department

The Subcommittee approved the establishment of Other Funds expenditure limitation for the Water Resources Department for the expenditure of lottery bond proceeds as follows:

- $2,000,000 one-time Other Funds expenditure limitation for the purpose of making grants and paying the cost of direct services for the qualifying costs of planning studies performed to evaluate the feasibility of developing a water conservation, reuse, or storage project, as described in ORS 541.566, and $47,477 one-time Other Funds expenditure limitation for the payment of bond issuance costs from Lottery bond proceeds from the Water Conservation, Reuse, and Storage Investment Fund established under ORS 541.576. The bonds are anticipated to be issued at the end of the 2015-17 biennium and, therefore, no debt service expenditures are anticipated in the 2015-17 biennium. The cost of debt service for the 2017-19 biennium is estimated to be $418,891.
- $750,000 one-time Other Funds expenditure limitation for the expenditure of Lottery bond proceeds for facilitation of the preparation of place-based integrated water resources strategies as described by Section 2(2) of Senate Bill 266 (2015) from the Water Supply Fund established by Chapter 906, Section 10(1), Oregon Laws 2009. The bonds are anticipated to be issued at the end of the 2015-17 biennium and, therefore, no debt service expenditures are anticipated in the 2015-17 biennium. The cost of debt service for the 2017-19 biennium is estimated to be $156,831
- $11,000,000 one-time Other Funds expenditure limitation for the purpose of making grants or entering into contracts to facilitate water supply projects in the Umatilla Basin and for the payment of professional services such as third-party contract administration and quality control contracts related to the projects from the Water Supply Fund established by Chapter 906, Section 10(1), Oregon Laws 2009. The bonds are anticipated to be issued at the end of the 2015-17 biennium and, therefore, no debt service expenditures are anticipated in the 2015-17 biennium. The cost of debt service for the 2017-19 biennium is estimated to be $2.3 million.
- $1,000,000 one-time Other Funds expenditure limitation for the purpose of making one or more grants to individuals or entities to repair, replace, or remediate water wells in the Mosier Creek area from the from the Water Supply Fund established by Chapter 906, Section 10(1), Oregon Laws 2009. The bonds are anticipated to be issued at the end of the 2015-17 biennium and, therefore, no debt service expenditures are anticipated in the 2015-17 biennium. The cost of debt service for the 2017-19 biennium is estimated to be $190,071.
- $280,433 one-time Other Funds expenditure limitation for the payment of bond issuance costs for the three items above from the Water Supply Fund established by Chapter 906, Section 10(1), Oregon Laws 2009. The cost of debt service for the 2017-19 biennium is estimated to be $2.3 million.
- $6,362,979 one-time Other Funds expenditure limitation for the purpose of carrying out sections 1 to 15 of Chapter 784, Oregon Laws 2013 and the payment of bond issuance costs from the Water Supply Development Fund established under ORS 541.656. Of the total, $112,979 is for bond issuance costs.

The Subcommittee approved the establishment of $30,000,000 one-time Other Funds expenditure limitation for the expenditure of general obligation bond proceeds from bonds issued under of Article XI-I (1) for the purposes provided in ORS 541.700 to 541.855 and for the payment of bond issuance costs from the Water Development Loan Fund.

The Subcommittee approved the establishment of Other Funds expenditure limitation in the amount of $520,000 for bond issuance costs and $1,201,865 for debt service payments associated with the issuance of bonds issued under of Article XI-I (1) for the purposes provided in ORS 541.700 to 541.855 from the Water Development Loan Administration and Bond Sinking Fund established under ORS 541.830.

Oregon Watershed Enhancement Board

The Subcommittee approved a $200,000 Federal Funds expenditure limitation increase to the Grants program from Pacific Coastal Salmon Recovery Fund (PCSRF) monies to increase the amount of PCSRF funding transferred to the Oregon Department of Fish and Wildlife (ODFW) to a total of $9,511,859, which is the amount anticipated to be transferred by the Oregon Watershed Enhancement Board to ODFW in Senate Bill 5511, the budget bill for the Oregon Department of Fish and Wildlife. Miscommunication during development of the two agencies' request budgets prevented confirmation of matching amounts.

The Subcommittee also directed the Oregon Watershed Enhancement Board to increase the total amount of Lottery Funds from the Watershed Conservation Grant Fund made for weed grants by $500,000, on a one-time basis. These additional Grant funds are to be used to improve sage grouse habitat through landowner actions to inventory, treat, and reduce plant invasive species threats to sage grouse habitat and rural economic values and restore native plant habitat. OWEB is directed to work with the Department of Agriculture, local weed boards, and other local delivery mechanisms in getting this additional $500,000 on the ground improving sage grouse habitat in the shortest time possible.

PUBLIC SAFETY

Department of Corrections

Article XI-Q bonding in the amount of $14.2 million is included in House Bill 5005 and capital construction expenditure limitation is approved in House Bill 5006. The bonding covers continued work at the Department's backlog of deferred maintenance. Specifically the funding addresses 25 priority 1, statewide projects. The bonds will be issued in 2017, with debt service beginning in the 2017-19 biennium at $3.7 million General Fund. This bill includes Other Funds expenditure limitation for cost of issuance in the amount of $254,568.

Senate Bill 5507 includes a one-time $400,000 General Fund appropriation to the Department of Administrative Services for a community-based organization, the YWCA of Greater Portland, to administer the Family Preservation Program (FPP) at Coffee Creek Correctional Facility. The program description is in the Department of Administrative Services section of this report.

While the YWCA of Greater Portland will implement the program, the DOC also has a role in the program's success. The following budget note is intended to clarify the DOC role in administering the FPP:

Budget Note:

The Department of Corrections is directed to work with the YWCA to serve the best interests of the children of incarcerated parents by facilitating enriched visitation, parenting education, and family support. Cooperation will include:

- DOC staff assisting in the referral of high-risk offenders to the program and conferring with the Department of Human Services about referral of possible high-risk children,
- Providing adequate program space for twice-monthly therapeutic, face-to-face parent and child visiting sessions for a minimum of three hours per session,
- Facilitating parent-teacher conferences and parent-caregiver communication and visitation, and
- Providing appropriate outcome data to the YWCA.

Criminal Justice Commission

The 2015-17 budget for the Criminal Justice Commission is increased by $5,000,000 General Fund to enhance the $35 million General Fund provided for Justice Reinvestment Initiative grants in the agency's budget bill, Senate Bill 5506. This appropriation brings the total available for the program in 2015-17 to $40 million.

Department of Justice

The Department of Justice generates the majority of its Other Funds revenue from charges to state agencies for legal services. The 2013-15 biennium Attorney General rate was $159 per hour and generated an estimated $139.1 million. The 2015-17 Attorney General rate for the legislatively adopted budget is $175 and is estimated to generate $153.3 million. This is a $14.2 million increase (10.2 percent). The change to the Legal Services rate in agency budgets is addressed as part of this measure.

The Subcommittee approved funding for the second "execution phase" (design, construction, testing, and implementation) of the agency's child support information technology replacement project (Child Support Enforcement Automated System, or CSEAS). While the project is still in the latter stages of the initial planning phase, the agency plans to move into the execution phase of the project during the 2015-17 biennium. Application system source code, database design documentation, system documentation, and other necessary artifacts from California, Michigan, and New Jersey will be acquired to facilitate the development of the new system. The project will also begin requirements validation and conduct Joint Application and Joint Technical Design sessions prior to the designing of the new system. The project will then work on the system design and construction of the new system, including data conversion and migration planning, and eventually application testing and implementation.

However, because the agency has not completed all required planning phase activities and documentation, and because it has not received Stage Gate #3 Office of the State Chief Information Officer endorsement of its foundational project management documentation (including a readiness and ability assessment), the execution phase of the project cannot actually begin until the agency first satisfactorily completes all remaining planning phase activities, including the completion of all the Joint Committee on Ways and Means – Information Technology Subcommittee recommendations for the CSEAS project (see below). Until these funding conditions are met, almost all "execution phase" funding will remain unscheduled (see below direction that funds be unscheduled).

The Subcommittee approved $15,209,670 of Other Funds expenditure limitation for project costs, which is to be financed with Article XI-Q bonds approved in House Bill 5005. The Subcommittee also approved $29,997,991 Federal Funds expenditure limitation and the establishment of 22 permanent full-time positions (21.13 FTE). This includes personal services of $3.6 million and services and supplies of $41.8 million. The amount for services and supplies includes $35.3 million total funds of contractor payments for: project management, including organization change management services; implementation; independent quality assurance; and independent verification and validation.

Project revenues also include an estimated $2.9 million in bond proceeds that were authorized and issued during the 2013-15 biennium but remained unexpended. Associated Other Funds expenditure limitation, which was not part of the agency's request, may be requested at a future date.

The Department of Administrative Services is expected to unschedule $10.7 million of Other Funds expenditure limitation and $20.8 million Federal Funds expenditure limitation that may be scheduled based upon the joint approval of the Office of the State Chief Information Officer and

the Legislative Fiscal Office. The agency is to submit a report on its compliance, as part of a request to schedule funds, with the Joint Committee on Ways and Means – Information Technology Subcommittee recommendations for the CSEAS project (see below) as well as submit a rebaselined budget for the project.

The Department of Administrative Services is requested to establish a new Summary Cross Reference in the Oregon Budget Information Tracking System for the Child Support Enforcement Automated System program in order to segregate all project costs from the Child Support Division and other Division's operating costs.

Unless otherwise approved by the Legislature or the Emergency Board, the positions budgeted for the project are established as permanent full-time positions under the following conditions: (a) the positions will be abolished on or before the completion of the project; (b) the positions are to remain in the CSEAS program (i.e., CSEAS summary cross reference) and may not be transferred to any other program or used for any other purpose other than the development to the CSEAS project; and (c) the positions may not be included in any permanent finance plan action.

Other Funds expenditure limitation of $205,330 is included for the cost of issuance of the bonds.

The Subcommittee appropriated $2,407,587 in additional General Fund Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in House Bill 5005.

The Subcommittee adopted the Joint Committee on Ways and Means – Information Technology Subcommittee recommendation for the CSEAS project:

- Work with the Office of the State Chief Information Officer (OSCIO) and LFO to finalize a corresponding incremental funding release plan that is based upon completing all remaining foundational documentation deficiencies and stage gate 2 and 3 requirements.
- Regularly report project status to the OSCIO and LFO throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.
- Utilize a qualified project manager with experience in planning and managing programs and projects of this type, scope, and magnitude.
- Work with the OSCIO to obtain independent quality management services. The contractor shall conduct an initial risk assessment and respond to DOJ feedback, perform quality control reviews on the key CSEAS Project deliverables including the business case, individual cost benefit/alternatives analysis documents, and foundational project management documents as appropriate, and perform ongoing, independent quality management services as directed by the OSCIO.
- Provide both OSCIO and LFO with copies of all QA vendor deliverables.
- Submit the updated detailed business case, all project management documents, initial risk assessment, and quality control reviews to the OSCIO and LFO for stage gate review.
- Work with OSCIO and LFO to conduct a formal readiness/ability assessment at stage gate 3 to validate readiness and ability to proceed to the execution phase of the project.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) System as it is deployed for all project review, approval, and project status and QA reporting activities throughout the life of the CSEAS Project. Legislative approval to proceed with the

CSEAS Project will be dependent upon OSCIO and LFO concurrence that DOJ is both ready and able to initiate project execution activities.

The Subcommittee established a $2 million General Fund special purpose appropriation to the Emergency Board for the Defense of Criminal Convictions as a contingency for potential caseload increases.

The Subcommittee also appropriated $240,550 General Fund to support the Oregon Crime Victims Law Center. This will bring total funding for the program to $367,800 for the biennium, including $77,250 General Fund of existing General Fund and $50,000 Other Funds from the renewal of a state grant.

Oregon Military Department

Senate Bill 5507 includes $89,563 General Fund and $358,253 Federal Funds expenditure limitation for three permanent full-time federal operations and maintenance (FOMA) positions (3.00 FTE). These are 3 of 8 positions eliminated from the Portland Air National Guard (PANG) base in 2009 budget cuts, which brought the FOMA workforce to 18, of 26 National Guard authorized positions. In 2013 the Legislature restored the 8 positions as Limited Duration (LD). This funding restores 3 of the LD positions as permanent. The National Guard pays 80% of the cost, General Fund covers the rest. The restored positions will maintain liquid jet fuel receiving, storage, and distribution for all 21 F-15's at PANG; maintain pesticide and herbicide certifications to keep grassy areas in compliance with Port of Portland mandated wildlife standards, which are meant to deter birds from the airfield; and maintain HVAC systems for climate control of critical communications equipment, as well as base fire alarm systems.

Also included is $250,000 one-time General Fund for the Oregon Military Museum for creation of exhibits and other capital expenditures directly related to the establishment and maintenance of the museum.

Two projects are approved for Article XI-Q bonding (House Bill 5005) and capital construction expenditure limitation (House Bill 5006). The first project is a new Joint Forces Headquarters facility to be located in Salem. Two-thirds of the total bonds will be sold in 2016 and the remainder in 2017. Debt Service in 2015-17 is approved in this bill at $434,833 General Fund. Second is expansion of the Oregon Youth Challenge Armory in Bend. Those bonds will be issued in 2017, with debt service beginning in the 2017-19 biennium. Cost of issuance is $153,000 for the two projects; expenditure limitation is included in this bill. Debt service for the two projects in 2017-19 is $2.3 million General Fund.

Department of State Police

The Subcommittee increased the Other Funds expenditure limitation in the Fish and Wildlife Enforcement Division by $993,640 for capital equipment replacements costs. Expenditure limitation is increased by $78,830 Other Funds in the Administrative, Agency Support, Criminal Justice Information systems, and Office of the State Fire Marshal Other Funds limitation to pay for costs associated with reclassifying fourteen positions in the Firearms Background Check program to better address complexity and volume of firearm background checks.

Measure 76 Lottery Funds for Fish and Wildlife Enforcement are increased by $278,788 for fish and wildlife enforcement. Fish and Wildlife troopers are reduced by (0.50) FTE due to the phase-in of one position approved for patrolling the Columbia River late in the 2015-17 biennium.

The Subcommittee approved nine position reclassifications in the Forensic Services division and one position reclassification in the Administrative Services division. These position reclassifications will better address workload issues associated with evidence handling and chain of custody in the laboratories, will properly align workload and responsibilities in the Administrative Services division, and do not require additional expenditure limitation to accomplish.

Federal Funds expenditure limitation is increased by $1,163 in the administrative services, agency support, criminal justice information services, and the office of the State Fire Marshal to balance expenditures to federal grant revenues.

Oregon Youth Authority

Article XI-Q bond issuance totaling $49 million for the 10-Year Strategic Facilities Plan is approved in House Bill 5005. House Bill 5006 authorizes Other Funds capital construction expenditure limitation in the same amount. $33 million of the bonds will be sold in 2016 and the rest in 2017. General Fund Debt Service in 2015-17 is $3,115,428, approved in this bill. Other Funds expenditure limitation in the amount of $1,055,565 for cost of issuance expense is also included in this bill. Debt Service in 2017-19 will be $8.6 million.

A $1 placeholder for Federal Funds Debt Service Nonlimited is added; it was not included in the agency's budget report. The dollar acts as a base in the event the state needed to issue taxable bonds. If such bonds were issued, the federal Build America Bonds program could offset part of the additional associated interest costs.

TRANSPORTATION

Department of Aviation

The Subcommittee approved the move of 0.20 FTE from the Operations program to the Search and Rescue program in the Department of Aviation. This shift aligns staff and resources in the Search and Rescue program. Other Funds expenditure limitation is reduced by $22,537 in the Operations Division and is increased in the Search and Rescue Division in the same amount.

Department of Transportation

The Subcommittee approved the increase of $130,000 General Fund for the Oregon Department of Transportation's Seniors and People with Disabilities Transportation Program; the funding is part of a commitment to spending on senior programs that originated in the 2013 special session. This program distributes funds to counties, transit districts, and tribes that provide transportation services for older adults and people with disabilities.

The Subcommittee approved an increase in Other Funds expenditure limitation in ODOT's Transportation Program Development section of $45,000,000 in lottery bond proceeds for ConnectOregon VI. In addition, the limitation is increased by $653,540 for cost of issuance expenses. There is no debt service in the 2015-17 biennium as the bonds will not be sold until the Spring of 2017. Debt service in 2015-17 is $8,317,100 Lottery Funds.

Other Funds expenditure limitation is increased in the Rail Division by $10,000,000 for lottery bond proceeds for the Coos Bay Rail line. In addition, the limitation is increased by $226,194 for cost of issuance expenses. There is no debt service in the 2015-17 biennium as the bonds will not be sold until the Spring of 2017. Debt service in 2017-19 is $1,865,288 Lottery Funds.

The Subcommittee approved an Other Funds expenditure limitation of $475,000 for cost of issuance of $35,000,000 in General Obligation bonds for seven highway safety improvement projects. There is no debt service in the 2015-17 biennium as the bonds will not be sold until the Spring of 2017. Debt service in 2017-19 is $5,135,799 General Fund.

The measure gives approval to the agency to move four positions (4.00 FTE) from the Information Services Branch to the Procurement Branch within ODOT's Central Services Division to align purchasing functions agency-wide.

Adjustments to 2013-15 Budgets

Oregon Health Authority

Other Funds expenditure limitation for the Public Employees' Benefit Board for the 2013-15 biennium was increased by $45 million. This will allow the agency to pay premiums and claims costs for the rest of the biennium.

Department of Land Conservation and Development

The Subcommittee approved the reduction of the General Fund appropriation made to the Department of Land Conservation and Development for the Southern Oregon Regional Pilot Program (SORPP) in the agency's 2013-15 budget (Senate Bill 5530, 2013) in the amount of $194,000 and the re-establishment of that amount as a one-time General Fund appropriation in the 2015-17 budget. The funding is a portion of the amount established by policy option package 107 in the agency's 2013-15 budget for the purpose of carrying out Executive Order 12-07 that the agency will not expend during the 2013-15 biennium and that the grant recipient counties have requested to be moved forward to the 2015-17 biennium to allow additional time for the grant-funded work to be completed.

Commission on Judicial Fitness and Disability

The Subcommittee transferred $5,000 of General Fund from administration to extraordinary expenses in the 2013-15 biennium budget, to fund costs directly associated with the investigation of complaints and the prosecution of cases.

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: SB 900 C**

BUDGET REPORT AND MEASURE SUMMARY **CARRIER: Rep. Lively**

Joint Committee On Ways and Means

Action: Do Pass As Amended And Be Printed Engrossed.
Action Date: 07/03/15
Vote:
House
Yeas: 10 - Buckley, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Williamson
Exc: 2 - Gomberg, Whitsett
Senate
Yeas: 10 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Thomsen, Whitsett, Winters
Nays: 2 - Shields, Steiner Hayward
Prepared By: Art Ayre, Department of Administrative Services
Reviewed By: Kim To, Legislative Fiscal Office

Agency: Oregon Health Authority
Biennium: 2015-17

Budget Summary

	2013-15 Legislatively Approved Budget	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				$ Change	% Change
General Fund	$ -	$ -	$ 238,276	$ 238,276	100.0%
Total	$ -	$ -	$ 238,276	$ 238,276	100.0%

Position Summary

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.00	1.00	1.00

Revenue Summary

Senate Bill 900 appropriates $238,276 General Fund to the Oregon Health Authority (OHA) to pay the cost of posting health care price information to its website as required by the bill. It also requires the agency to apply for and receive donations, gifts, and grants to pay this cost.

Summary of Human Services Subcommittee Action

Senate Bill 900 requires OHA to post to its website, at least annually, health care information to empower consumers to make economically sound and medically appropriate decisions. The bill requires OHA to apply for donations, gifts, and grants to pay the cost of posting this information. The bill specifies that OHA's obligation to post this information to its website is limited to the funds appropriated for this purpose or collected from donation, gifts and grants.

Health Policy Programs

The Subcommittee approved the appropriation of $238,276 General Fund and the establishment of one permanent Operations and Policy Analyst 4 position (1.00 FTE) to carry out the provisions of the bill. The position will develop methodology, collect feedback from stakeholders (e.g. insurers, and hospital representatives), develop and implement coding to extract information from Oregon's All Payer All Claims reporting program, validate hospital and clinic price information, perform annual data extraction, and maintain the website.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 900-C

Oregon Health Authority
Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
SUBCOMMITTEE RECOMMENDATION									
SCR 020-08 - Health Policy Programs									
Personal Services	$ 201,403	$ -	$ -	$ -	$ -	$ -	$ 201,403	1	1.00
Services and Supplies	$ 36,873	$ -	$ -	$ -	$ -	$ -	$ 36,873		
TOTAL SUBCOMMITTEE RECOMMENDATION	$ 238,276	$ -	$ -	$ -	$ -	$ -	$ 238,276	1	1.00

Action: Do Pass The A-Eng Bill.
Action Date: 02/25/16
Vote:
House
Yeas: 11 - Buckley, Gomberg, Huffman, Komp, Nathanson, Rayfield, Read, Smith, Whisnant, Whitsett, Williamson
Exc: 1 - McLane
Senate
Yeas: 7 - Bates, Devlin, Johnson, Monroe, Roblan, Shields, Steiner Hayward
Nays: 4 - Girod, Hansell, Thomsen, Whitsett
Exc: 1 - Winters
Prepared By: Linda Ames and Theresa McHugh, Legislative Fiscal Office
Reviewed By: Daron Hill, Legislative Fiscal Office

Emergency Board; Various Agencies
Biennium: 2015-17

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			$ Change	% Change
Emergency Board				
General Fund - General Purpose	$ 30,000,000	$ 32,000,000	$ 2,000,000	6.7%
General Fund - Special Purpose Appropriations				
State Agencies for state employee compensation	$ 120,000,000	$ -	$ (120,000,000)	-100.0%
State Agencies for non-state worker compensation	$ 10,700,000	$ 700,147	$ (9,999,853)	-93.5%
State Agencies for education issues	$ 3,000,000	$ 1,626,121	$ (1,373,879)	-45.8%
Dept. of Education - mixed delivery preschool program	$ 17,540,357	$ -	$ (17,540,357)	-100.0%
HECC - college readiness program implementation	$ 6,865,921	$ -	$ (6,865,921)	-100.0%
Dept. of Forestry - fire protection expenses	$ 6,000,000	$ 3,945,177	$ (2,054,823)	-34.2%
Dept. of Revenue - Property Tax Division	$ 1,836,836	$ -	$ (1,836,836)	-100.0%
Dept. of Corrections - Deer Ridge operations expenses	$ -	$ 3,000,000	$ 3,000,000	100.0%
Dept. of Corrections - expenses related to mentally ill	$ -	$ 2,000,000	$ 2,000,000	100.0%
Malheur Nat'l Wildlife Refuge expense reimbursement	$ -	$ 2,000,000	$ 2,000,000	100.0%
ADMINISTRATION PROGRAM AREA				
Department of Administrative Services				
General Fund	$ 12,468,238	$ 16,073,778	$ 3,605,540	28.9%
Other Funds	$ 898,482,207	$ 911,637,817	$ 13,155,610	1.5%
Advocacy Commissions Office				
General Fund	$ 602,262	$ 626,557	$ 24,295	4.0%
Employment Relations Board				
General Fund	$ 2,393,033	$ 2,460,956	$ 67,923	2.8%
Other Funds	$ 2,014,991	$ 2,066,561	$ 51,570	2.6%
Oregon Government Ethics Commission				
Other Funds	$ 2,720,429	$ 2,789,379	$ 68,950	2.5%
Office of the Governor				
General Fund	$ 12,448,211	$ 12,773,672	$ 325,461	2.6%
Lottery Funds	$ 4,058,418	$ 4,209,051	$ 150,633	3.7%
Other Funds	$ 3,152,058	$ 3,249,297	$ 97,239	3.1%

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			$ Change	% Change
Oregon Liquor Control Commission				
Other Funds	$ 178,713,603	$ 181,706,250	$ 2,992,647	1.7%
Public Employees Retirement System,				
Other Funds	$ 95,161,904	$ 107,769,491	$ 12,607,587	13.2%
		$ -		
Racing Commission				
Other Funds	$ 6,193,966	$ 6,276,229	$ 82,263	1.3%
Department of Revenue				
General Fund	$ 186,702,371	$ 193,187,720	$ 6,485,349	3.5%
Other Funds	$ 130,931,438	$ 134,486,949	$ 3,555,511	2.7%
Secretary of State				
General Fund	$ 9,422,659	$ 9,949,390	$ 526,731	5.6%
Other Funds	$ 54,607,321	$ 56,279,809	$ 1,672,488	3.1%
Federal Funds	$ 6,242,689	$ 6,277,676	$ 34,987	0.6%
State Library				
General Fund	$ 3,536,497	$ 3,626,974	$ 90,477	2.6%
Other Funds	$ 6,227,861	$ 6,440,443	$ 212,582	3.4%
Federal Funds	$ 5,061,853	$ 5,121,642	$ 59,789	1.2%
State Treasurer				
General Fund	$ 1,658,284	$ 1,687,988	$ 29,704	1.8%
Other Funds	$ 61,114,368	$ 62,170,171	$ 1,055,803	1.7%
CONSUMER AND BUSINESS SERVICES PROGRAM AREA				
State Board of Accountancy				
Other Funds	$ 2,454,268	$ 2,506,638	$ 52,370	2.1%

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			$ Change	% Change
Chiropractic Examiners Board				
Other Funds	$ 1,889,260	$ 1,931,737	$ 42,477	2.2%
Consumer and Business Services				
Other Funds	$ 243,170,782	$ 246,301,771	$ 3,130,989	1.3%
Federal Funds	$ 16,431,616	$ 17,320,682	$ 889,066	5.4%
Construction Contractors Board				
Other Funds	$ 14,659,027	$ 15,051,664	$ 392,637	2.7%
Board of Dentistry				
Other Funds	$ 2,985,971	$ 3,043,804	$ 57,833	1.9%
Health Related Licensing Boards				
Other Funds	$ 5,707,058	$ 5,876,450	$ 169,392	3.0%
Bureau of Labor and Industries				
General Fund	$ 12,563,620	$ 12,892,771	$ 329,151	2.6%
Other Funds	$ 10,831,529	$ 11,296,258	$ 464,729	4.3%
Federal Funds	$ 1,476,462	$ 1,539,652	$ 63,190	4.3%
Licensed Professional Counselors and Therapists. Board of				
Other Funds	$ 1,505,938	$ 1,540,904	$ 34,966	2.3%
Licensed Social Workers, Board of				
Other Funds	$ 1,471,646	$ 1,500,640	$ 28,994	2.0%
Board of Medical Examiners				
Other Funds	$ 11,269,353	$ 11,605,454	$ 336,101	3.0%
Board of Nursing				
Other Funds	$ 15,265,753	$ 15,573,363	$ 307,610	2.0%

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			$ Change	% Change
Board of Pharmacy				
Other Funds	$ 6,856,245	$ 7,057,070	$ 200,825	2.9%
Psychologist Examiners Board				
Other Funds	$ 1,284,790	$ 1,323,155	$ 38,365	3.0%
Public Utility Commission				
Other Funds	$ 44,128,339	$ 45,429,873	$ 1,301,534	2.9%
Federal Funds	$ 698,049	$ 726,238	$ 28,189	4.0%
Real Estate Agency				
Other Funds	$ 6,897,314	$ 7,159,101	$ 261,787	3.8%
Tax Practitioners Board				
Other Funds	$ 1,235,571	$ 1,260,908	$ 25,337	2.1%
ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA				
Oregon Business Development Department				
General Fund	$ 16,845,486	$ 15,565,790	$ (1,279,696)	-7.6%
Lottery Funds	$ 111,789,423	$ 113,289,994	$ 1,500,571	1.3%
Other Funds	$ 293,644,535	$ 295,973,576	$ 2,329,041	0.8%
Other Funds Nonlimited	$ 225,972,465	$ 231,792,465	$ 5,820,000	2.6%
Federal Funds	$ 39,967,883	$ 40,101,139	$ 133,256	0.3%
Employment Department				
General Fund	$ 6,112,818	$ 6,133,655	$ 20,837	0.3%
Other Funds	$ 141,800,701	$ 146,138,599	$ 4,337,898	3.1%
Federal Funds	$ 157,985,169	$ 162,716,380	$ 4,731,211	3.0%
Housing and Community Services Department				
General Fund	$ 15,679,188	$ 28,421,768	$ 12,742,580	81.3%
Other Funds	$ 212,088,734	$ 223,456,192	$ 11,367,458	5.4%
Federal Funds	$ 119,926,854	$ 120,114,238	$ 187,384	0.2%

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			$ Change	% Change
Department of Veterans' Affairs				
General Fund	$ 12,748,351	$ 13,002,777	$ 254,426	2.0%
Other Funds	$ 83,768,166	$ 84,275,562	$ 507,396	0.6%
Federal Funds	$ 2,805,304	$ 3,305,303	$ 499,999	17.8%
EDUCATION PROGRAM AREA				
Department of Education				
General Fund	$ 544,682,780	$ 577,542,813	$ 32,860,033	6.0%
Other Funds	$ 273,993,743	$ 277,228,514	$ 3,234,771	1.2%
Federal Funds	$ 1,026,393,576	$ 1,038,273,634	$ 11,880,058	1.2%
State School Fund				
General Fund	$ 6,964,849,484	$ 6,925,296,093	$ (39,553,391)	-0.6%
Lottery Funds	$ 408,150,516	$ 447,703,907	$ 39,553,391	9.7%
Higher Education Coordinating Commission				
General Fund	$ 32,035,777	$ 34,981,675	$ 2,945,898	9.2%
Other Funds	$ 30,509,613	$ 31,541,490	$ 1,031,877	3.4%
Federal Funds	$ 111,680,983	$ 111,923,269	$ 242,286	0.2%
State Support for Community Colleges				
General Fund	$ 589,305,847	$ 596,555,847	$ 7,250,000	1.2%
State Support for Public Universities				
General Fund	$ 941,746,515	$ 944,646,515	$ 2,900,000	0.3%
Chief Education Office				
General Fund	$ 6,239,594	$ 12,857,142	$ 6,617,548	106.1%
Teacher Standards and Practices				
Other Funds	$ 6,155,894	$ 6,511,902	$ 356,008	5.8%

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			$ Change	% Change
HUMAN SERVICES PROGRAM AREA				
Commission for the Blind				
General Fund	$ 2,892,992	$ 3,691,540	$ 798,548	27.6%
Other Funds	$ 992,094	$ 1,183,539	$ 191,445	19.3%
Federal Funds	$ 12,319,703	$ 15,827,037	$ 3,507,334	28.5%
Oregon Health Authority				
General Fund	$ 2,120,607,875	$ 2,139,964,413	$ 19,356,538	0.9%
Lottery Funds	$ 11,292,544	$ 11,348,753	$ 56,209	0.5%
Other Funds	$ 5,683,377,776	$ 5,782,295,632	$ 98,917,856	1.7%
Federal Funds	$ 11,400,938,911	$ 12,389,291,524	$ 988,352,613	8.7%
Department of Human Services				
General Fund	$ 2,700,922,689	$ 2,765,044,703	$ 64,122,014	2.4%
Other Funds	$ 500,033,526	$ 532,329,349	$ 32,295,823	6.5%
Federal Funds	$ 4,488,244,260	$ 4,802,435,818	$ 314,191,558	7.0%
Long Term Care Ombudsman				
General Fund	$ 6,172,203	$ 6,303,638	$ 131,435	2.1%
Other Funds	$ 719,522	$ 737,480	$ 17,958	2.5%
Psychiatric Security Review Board				
General Fund	$ 2,604,005	$ 2,688,017	$ 84,012	3.2%
JUDICIAL BRANCH				
Judicial Department				
General Fund	$ 424,653,443	$ 433,042,702	$ 8,389,259	2.0%
Other Funds	$ 138,932,144	$ 147,988,947	$ 9,056,803	6.5%
Federal Funds	$ 1,598,284	$ 1,606,769	$ 8,485	0.5%
Commission on Judicial Fitness and Disability				
General Fund	$ 230,040	$ 405,777	$ 175,737	76.4%

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			$ Change	% Change
Public Defense Services Commission				
General Fund	$ 275,010,417	$ 275,454,479	$ 444,062	0.2%
Other Funds	$ 3,833,764	$ 3,846,904	$ 13,140	0.3%
LEGISLATIVE BRANCH				
Legislative Administration Committee				
General Fund	$ 34,865,791	$ 37,515,179	$ 2,649,388	7.6%
Other Funds	$ 2,225,416	$ 5,435,025	$ 3,209,609	144.2%
Legislative Assembly				
General Fund	$ 39,090,875	$ 38,146,349	$ (944,526)	-2.4%
Other Funds	$ 225,352	$ 223,530	$ (1,822)	-0.8%
Legislative Commission on Indian Services				
General Fund	$ 401,349	$ 410,168	$ 8,819	2.2%
Legislative Counsel				
General Fund	$ 10,841,717	$ 10,646,638	$ (195,079)	-1.8%
Other Funds	$ 1,515,091	$ 1,552,105	$ 37,014	2.4%
Legislative Fiscal Office				
General Fund	$ 4,324,440	$ 4,315,993	$ (8,447)	-0.2%
Other Funds	$ 3,443,858	$ 3,530,895	$ 87,037	2.5%
Legislative Revenue Office				
General Fund	$ 2,414,923	$ 2,496,087	$ 81,164	3.4%
NATURAL RESOURCES PROGRAM AREA				
State Department of Agriculture				
General Fund	$ 23,396,301	$ 24,613,559	$ 1,217,258	5.2%
Lottery Funds	$ 6,289,958	$ 6,491,591	$ 201,633	3.2%
Other Funds	$ 60,578,804	$ 62,478,730	$ 1,899,926	3.1%
Federal Funds	$ 15,563,845	$ 17,630,167	$ 2,066,322	13.3%

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			$ Change	% Change
Columbia River Gorge Commission				
General Fund	$ 903,983	$ 915,291	$ 11,308	1.3%
Other Funds	$ 5,000	$ -	$ (5,000)	-100.0%
State Department of Energy				
Other Funds	$ 34,288,279	$ 35,076,986	$ 788,707	2.3%
Federal Funds	$ 3,128,423	$ 3,187,299	$ 58,876	1.9%
Department of Environmental Quality				
General Fund	$ 33,948,448	$ 37,732,047	$ 3,783,599	11.1%
Lottery Funds	$ 3,945,160	$ 4,084,177	$ 139,017	3.5%
Other Funds	$ 149,103,999	$ 152,995,169	$ 3,891,170	2.6%
Federal Funds	$ 28,970,775	$ 29,567,515	$ 596,740	2.1%
State Department of Fish and Wildlife				
General Fund	$ 30,081,289	$ 31,046,604	$ 965,315	3.2%
Lottery Funds	$ 4,752,746	$ 4,917,581	$ 164,835	3.5%
Other Funds	$ 174,604,641	$ 178,016,434	$ 3,411,793	2.0%
Federal Funds	$ 138,976,588	$ 142,316,627	$ 3,340,039	2.4%
Department of Forestry				
General Fund	$ 63,414,691	$ 88,388,302	$ 24,973,611	39.4%
Lottery Funds	$ 7,481,960	$ 7,554,096	$ 72,136	1.0%
Other Funds	$ 224,734,577	$ 286,598,792	$ 61,864,215	27.5%
Federal Funds	$ 34,758,694	$ 35,063,741	$ 305,047	0.9%
Department of Geology and Mineral Industries				
General Fund	$ 4,138,836	$ 4,246,695	$ 107,859	2.6%
Other Funds	$ 6,092,210	$ 6,207,283	$ 115,073	1.9%
Federal Funds	$ 5,356,535	$ 5,465,149	$ 108,614	2.0%

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			$ Change	% Change
Department of Land Conservation and Development				
General Fund	$ 13,152,774	$ 13,483,719	$ 330,945	2.5%
Other Funds	$ 484,999	$ 725,419	$ 240,420	49.6%
Federal Funds	$ 6,254,991	$ 6,392,432	$ 137,441	2.2%
Land Use Board of Appeals				
General Fund	$ 1,772,887	$ 1,817,836	$ 44,949	2.5%
Oregon Marine Board				
Other Funds	$ 26,181,068	$ 26,498,709	$ 317,641	1.2%
Federal Funds	$ 7,464,524	$ 7,467,774	$ 3,250	0.0%
Department of Parks and Recreation				
Lottery Funds	$ 81,406,896	$ 82,917,301	$ 1,510,405	1.9%
Other Funds	$ 108,236,201	$ 110,367,264	$ 2,131,063	2.0%
Federal Funds	$ 12,306,810	$ 12,345,047	$ 38,237	0.3%
Department of State Lands				
General Fund	$ 328,228	$ 346,082	$ 17,854	5.4%
Other Funds	$ 35,792,955	$ 36,617,973	$ 825,018	2.3%
Federal Funds	$ 1,795,917	$ 2,067,484	$ 271,567	15.1%
Water Resources Department				
General Fund	$ 29,622,753	$ 31,160,564	$ 1,537,811	5.2%
Other Funds	$ 73,945,808	$ 74,253,832	$ 308,024	0.4%
Federal Funds	$ 1,302,403	$ 1,312,338	$ 9,935	0.8%
Watershed Enhancement Board				
Lottery Funds	$ 62,250,303	$ 62,482,687	$ 232,384	0.4%
Other Funds	$ 3,545,968	$ 3,553,093	$ 7,125	0.2%
Federal Funds	$ 37,179,454	$ 37,274,113	$ 94,659	0.3%

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			$ Change	% Change
PUBLIC SAFETY PROGRAM AREA				
Department of Corrections				
General Fund	$ 1,555,904,536	$ 1,593,133,894	$ 37,229,358	2.4%
Other Funds	$ 53,232,352	$ 55,776,993	$ 2,544,641	4.8%
Oregon Criminal Justice Commission				
General Fund	$ 55,035,612	$ 55,130,454	$ 94,842	0.2%
Other Funds	$ 494,015	$ 864,015	$ 370,000	74.9%
Federal Funds	$ 7,304,929	$ 6,937,604	$ (367,325)	-5.0%
District Attorneys and their Deputies				
General Fund	$ 11,610,450	$ 11,868,624	$ 258,174	2.2%
Department of Justice				
General Fund	$ 76,083,264	$ 78,841,305	$ 2,758,041	3.6%
Other Funds	$ 284,955,845	$ 295,519,057	$ 10,563,212	3.7%
Federal Funds	$ 142,401,423	$ 157,871,008	$ 15,469,585	10.9%
Oregon Military Department				
General Fund	$ 25,019,969	$ 25,350,514	$ 330,545	1.3%
Other Funds	$ 110,312,549	$ 113,312,859	$ 3,000,310	2.7%
Federal Funds	$ 278,357,971	$ 280,784,232	$ 2,426,261	0.9%
Oregon Board of Parole				
General Fund	$ 7,807,978	$ 8,040,916	$ 232,938	3.0%
Oregon State Police				
General Fund	$ 271,442,947	$ 279,647,826	$ 8,204,879	3.0%
Lottery Funds	$ 7,841,010	$ 8,010,065	$ 169,055	2.2%
Other Funds	$ 100,483,764	$ 109,285,417	$ 8,801,653	8.8%
Federal Funds	$ 9,760,242	$ 9,780,941	$ 20,699	0.2%
Department of Public Safety Standards and Training				
Other Funds	$ 37,238,170	$ 42,092,883	$ 4,854,713	13.0%
Federal Funds	$ 4,148,299	$ 6,666,167	$ 2,517,868	60.7%

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			$ Change	% Change
Oregon Youth Authority				
General Fund	$ 291,989,720	$ 298,387,030	$ 6,397,310	2.2%
Other Funds	$ 63,325,954	$ 63,399,605	$ 73,651	0.1%
Federal Funds	$ 36,097,766	$ 36,316,493	$ 218,727	0.6%
TRANSPORTATION PROGRAM AREA				
Department of Aviation				
Other Funds	$ 11,979,625	$ 12,370,913	$ 391,288	3.3%
Federal Funds	$ 8,504,014	$ 8,514,798	$ 10,784	0.1%
Department of Transportation				
General Fund	$ 27,827,995	$ 22,585,257	$ (5,242,738)	-18.8%
Other Funds	$ 3,275,943,658	$ 3,313,477,220	$ 37,533,562	1.1%
Federal Funds	$ 110,110,886	$ 110,175,491	$ 64,605	0.1%
2015-17 Budget Summary				
General Fund Total	$ 17,716,499,549	$ 17,780,417,528	$ 63,917,979	0.4%
Lottery Funds Total	$ 709,258,934	$ 753,009,203	$ 43,750,269	6.2%
Other Funds Total	$ 14,023,753,360	$ 14,377,069,073	$ 353,315,713	2.5%
Other Funds Nonlimited Total	$ 225,972,465	$ 231,792,465	$ 5,820,000	2.6%
Federal Funds Total	$ 18,281,516,085	$ 19,633,717,421	$ 1,352,201,336	7.4%

* Excludes Capital Construction

Position Summary

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			Change	% Change
ADMINISTRATION PROGRAM AREA				
Department of Administrative Services				
Authorized Positions	827	841	14	1.7%
Full-time Equivalent (FTE) positions	813.17	826.40	13.23	1.6%
Oregon Liquor Control Commission				
Authorized Positions	261	268	7	2.7%
Full-time Equivalent (FTE) positions	251.16	255.33	4.17	1.7%
Department of Revenue				
Authorized Positions	1,082	1,087	5	0.5%
Full-time Equivalent (FTE) positions	1,012.41	1,020.68	8.27	0.8%
Secretary of State				
Authorized Positions	212	213	1	0.5%
Full-time Equivalent (FTE) positions	210.71	210.96	0.25	0.1%
CONSUMER AND BUSINESS SERVICES PROGRAM AREA				
Consumer and Business Services				
Authorized Positions	962	960	(2)	-0.2%
Full-time Equivalent (FTE) positions	952.57	952.76	0.19	0.0%
Public Utility Commission				
Authorized Positions	128	129	1	0.8%
Full-time Equivalent (FTE) positions	125.97	126.60	0.63	0.5%
ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA				
Oregon Business Development Department				
Authorized Positions	137	139	2	1.5%
Full-time Equivalent (FTE) positions	134.74	135.74	1.00	0.7%

Position Summary

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			Change	% Change
EDUCATION PROGRAM AREA				
Chief Education Office				
Authorized Positions	17	20	3	17.6%
Full-time Equivalent (FTE) positions	14.64	18.25	3.61	24.7%
Department of Education				
Authorized Positions	552	555	3	0.5%
Full-time Equivalent (FTE) positions	519.01	520.90	1.89	0.4%
HUMAN SERVICES PROGRAM AREA				
Oregon Health Authority				
Authorized Positions	4,428	4,449	21	0.5%
Full-time Equivalent (FTE) positions	4,361.01	4,383.89	22.88	0.5%
Department of Human Services				
Authorized Positions	8,038	8,054	16	0.2%
Full-time Equivalent (FTE) positions	7,897.81	7,905.04	7.23	0.1%
NATURAL RESOURCES PROGRAM AREA				
Department of Environmental Quality				
Authorized Positions	739	752	13	1.8%
Full-time Equivalent (FTE) positions	722.57	730.15	7.58	1.0%
Department of Fish and Wildlife				
Authorized Positions	1,474	1,474	-	0.0%
Full-time Equivalent (FTE) positions	1,198.26	1,199.26	1.00	0.1%
Department of Forestry				
Authorized Positions	1,197	1,201	4	0.3%
Full-time Equivalent (FTE) positions	875.54	878.04	2.50	0.3%

Position Summary

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			Change	% Change
Department of Land Conservation and Development				
Authorized Positions	57	58	1	1.8%
Full-time Equivalent (FTE) positions	55.90	56.57	0.67	1.2%
Water Resources Department				
Authorized Positions	164	165	1	0.6%
Full-time Equivalent (FTE) positions	162.58	163.25	0.67	0.4%
PUBLIC SAFETY PROGRAM AREA				
Department of Corrections				
Authorized Positions	4,523	4,534	11	0.2%
Full-time Equivalent (FTE) positions	4,479.62	4,487.41	7.79	0.2%
Department of Justice				
Authorized Positions	1,305	1,324	19	1.5%
Full-time Equivalent (FTE) positions	1,291.70	1,298.27	6.57	0.5%
Oregon State Police				
Authorized Positions	1,287	1,299	12	0.9%
Full-time Equivalent (FTE) positions	1,255.24	1,261.87	6.63	0.5%
Department of Public Safety Standards and Training				
Authorized Positions	28	43	15	53.6%
Full-time Equivalent (FTE) positions	26.00	35.74	9.74	37.5%

Summary of Revenue Changes

The General Fund appropriations made in the bill are within resources available as projected in the February 2016 economic and revenue forecast by the Department of administrative Services Office of Economic Analysis.

Summary of Capital Construction Subcommittee Action

Senate Bill 5701 is the omnibus budget reconciliation bill for the 2016 legislative session, implementing the statewide rebalance plan that addresses changes in projected revenues and expenditures since the close of the 2015 session. The Subcommittee approved Senate Bill 5701 with amendments to reflect budget adjustments as described below.

Statewide Adjustments

EMPLOYEE COMPENSATION DISTRIBUTION
The Subcommittee approved allocation of $120 million General Fund to state agencies for employee compensation. The General Fund appropriation is expected to cover about 93% of the statewide estimate of costs for compensation and benefit changes agreed to through collective bargaining or other salary agreements. Total compensation adjustments include $120 million General Fund, $3.2 million Lottery Funds, $111.7 Other Funds, and $55.9 million Federal Funds. Lottery Funds, Other Funds, and Federal Funds expenditure limitations are calculated at fully-funded amounts.

OTHER STATEWIDE ADJUSTMENTS
Other statewide adjustments include adjustments for Pension Obligation Bond (POB) payments and fully funding the General Fund need of employee compensation for small agencies. POB adjustments generated a net savings of $4.3 million Total Funds, including General Fund savings of $487,281. A portion of the savings was used to fully fund the General Fund collective bargaining agreement costs ($243,932) of small agencies.

Section 116 of the budget bill reflects the changes, as described above, for each agency. These adjustments are not addressed in the agency narratives, although they are included in the table at the beginning of the budget report.

Emergency Board

As part of the 2015-17 biennium statewide rebalance plan, Senate Bill 5701 adjusts the Emergency Board's general purpose and special purpose appropriations as described as follows:

- Increases the General Purpose Emergency Fund by $2,000,000 for general governmental purposes, increasing the total amount available to the Emergency Board for the remainder of the 2015-17 interim to $32,000,000.
- Eliminates a special purpose appropriation for state agencies of $120 million, and makes corresponding General Fund appropriations to various state agencies for state employee compensation changes.
- Reduces the special purpose appropriation for state agencies of $10.7 million, with General Fund appropriations of $10.0 million to the Department of Human Services ($9,502,291) and the Oregon Health Authority ($497,562) for compensation changes driven by collective bargaining for workers who are not state employees.
- Reduces the $3,000,000 special purpose appropriation for education by $1,373,879 and uses these funds as part of the $1,900,000 General Fund appropriation to the Higher Education Coordinating Commission to help fund 2015-17 compensation agreements for classified staff at Portland State University, Eastern Oregon University, Southern Oregon University, Western Oregon University, and the Oregon Institute of Technology. Details on how much each university receives is found under the Higher Education Coordinating Commission section of this budget report.
- Eliminates the $17,540,357 General Fund special purpose appropriation to the Emergency Board for the mixed delivery preschool program established in House Bill 3380 (2015), with a corresponding appropriation to the Oregon Department of Education for the same purpose.
- Eliminates a $6,865,921 special purpose appropriation for college readiness and appropriates most of these resources to the Oregon Department of Education, Chief Education Office, and the Higher Education Coordinating Commission for transitional services and supports, between secondary and post-secondary education.
- Reduces the special purpose appropriation of $6 million for fire costs, and appropriates $2,054,823 to the Department of Forestry for that purpose.
- Eliminates the $1.8 million special purpose appropriation for the Department of Revenue and appropriates $1,360,125 to the Property Tax Division of the Department of Revenue, primarily due to cover a revenue shortfall in the County Assessment Function Funding Assistance Account.
- Establishes a $3,000,000 special purpose appropriation to be allocated to the Department of Corrections for operations support. The Department may request funds to finance continued activation of minimum security beds at the Deer Ridge Correctional Institution.
- Establishes a $2,000,000 special purpose appropriation to be allocated to the Department of Corrections. The Department may request funds to finance continued activities and positions associated with improvements to housing and treatment for the seriously mentally ill.
- Establishes a special purpose appropriation for the Emergency Board of $2,000,000 to be allocated to state and local governments that incurred costs not reimbursed by the federal government related to the armed occupation of the Malheur National Wildlife Refuge. The Department of Administrative Services and the Legislative Fiscal Office are directed to work with state and local government units to identify and validate reimbursable costs related to the incident.

Adjustments to 2015-17 Agency Budgets

ADMINISTRATION

Department of Administrative Services

The Subcommittee approved a technical adjustment to move Other Funds expenditure limitation, intended to pay for treasury fees that had been spread to programs in the 2015-17 legislatively adopted budget, back into the Other Funds expenditure limitation established in Senate Bill 5502 for Treasury Fees. These adjustments net to a zero overall change in the total Other Funds budget approved for the Department of Administrative Services (DAS).

The Subcommittee approved a number of budget adjustments related to a multi-part reorganization of DAS and the Oregon State Chief Information Officer (OSCIO) information technology (IT) related functions. A budget note required DAS to report on proposed changes to operations and rates for Enterprise Technology Services (ETS), which includes the state data center. During the 2015 session, the Legislature also passed House Bill 3099, which transferred substantial authority and responsibility surrounding statewide IT operations and policies from the DAS Director to the OSCIO. To implement House Bill 3099, the OSCIO has proposed significant changes in organizational structures. Under this reorganization there will be five sections: ETS; Enterprise Security Office; Office of Strategic IT Governance; Enterprise Shared Services; and the DAS Chief Information Office (CIO), which will be responsible for meeting DAS's IT needs, such as help desk support. While the DAS CIO will remain under the authority of the OSCIO, it will report to the DAS Deputy Chief Operating Officer. In addition, three administrative positions that did budget work in ETS were transferred to DAS Business Services and seven other ETS administrative positions were moved to the CIO.

The budget adjustments required to implement the IT reorganization and new OSCIO responsibilities, as well as to address the ETS budget note, affected a number of DAS program areas. These net adjustments by program area include: ETS decreased Other Funds by $39,863,385 and 70 positions (64.00 FTE); CIO increased Other Funds by $29,841,240 and 37 positions (34.06 FTE); Chief Operating Office increased Other Funds by $12,171,544 and 38 positions (37.58 FTE); DAS Business Services increased Other Funds by $644,351 and 3 positions (3.00 FTE); and Enterprise Goods and Services increased Other Funds by $474,682 and 4 positions (2.32 FTE).

As part of the IT reorganization, a new structure was proposed for IT procurement and vendor management with dual responsibility between Enterprise Goods and Services and OSCIO. This new structure was reviewed by the Joint Committee on Ways and Means as well as the Joint Legislative Committee on Information Management and Technology (JLCIMT). The JLCIMT recommended conditional, temporary approval of the request for the remainder of the biennium. Specifically, the JLCIMT recommended that DAS and OSCIO:

1. Conduct an assessment to identify and evaluate the alternative State IT procurement-related organizational/operating models in use by other states across the nation. The assessment report should provide the raw findings and include, but not be limited to, the roles, responsibilities, accountability, staffing levels, and costs associated with:
   (a) The most predominant organizational/operating models in use across the nation as compared to the shared IT vendor management program proposed within this request, and

(b) A full transfer of state IT procurement duties, functions, and powers from DAS and the DAS Director to the State Chief Information Officer.

2. Submit the assessment report and a status report on IT vendor management program progress to date to the Legislative Fiscal Office in November 2016.
3. Jointly present the assessment report and status report on IT vendor management program progress to the JLCIMT and the Emergency Board during the December 2016 Legislative Days.

The Subcommittee approved six new positions associated with the new IT vendor management arrangement as limited duration to ensure the new arrangement was temporary and that DAS/OSCIO would need to return to the Legislature for funding for the 2017-19 biennium.

Other Funds expenditure limitation established in Senate Bill 55 (2015) was reduced by $196,206 and the three positions established by the bill were reduced by a combined 0.99 FTE due to delays in implementing the legislation. None of the three positions will be hired until after the 2016 legislative session.

The Subcommittee also added two limited duration positions to implement House Bill 4135 to accomplish the coordination requirements and manage the production of electronic records as directed by the bill. An Information Systems Specialist 8 position (0.63 FTE) was added to provide the initial outreach, education, and coordination of the new policies with state agencies. An Operations and Policy Analyst 2 (0.63 FTE) was added to handle the query writing and production of records for DAS and to assist agencies in the querying and production of their records. The positions are added as limited duration to allow DAS to assess appropriate work load and classification. Positions needed to manage ongoing work will be proposed as part of the Governor's Budget for 2017-19. The Subcommittee determined that DAS can pay for the two positions in 2015-17 with existing Other Funds expenditure limitation and revenue.

The Subcommittee also approved one-time General Fund appropriations to DAS for the following purposes:

- $1,000,000 for disbursement to the Holly Theater in Medford for the Holly Theater Restoration Project.
- $650,000 for disbursement to the Salem Area Mass Transit District to provide free bus passes to state employees working in the Capitol Mall area and to operate an Airport Road Express Shuttle between the State Motor Pool and the Capitol Mall.
- $500,000 for disbursement to Clackamas County for repairs at the Willamette Falls Locks and Canal.
- $500,000 for disbursement to the City of Cornelius to help build the multi-use Cornelius Place project which includes a library, low income senior housing, and a YMCA.
- $300,000 for disbursement to Verde for the Cully Park project in Northeast Portland's Cully neighborhood.
- $250,000 for disbursement to Worksystems Inc. to recapitalize a tuition loan program first funded in 2011 for loans to students participating in commercial driver license training. These loans are not part of a state program and funding is provided only to establish the private program. This is the second one-time General Fund appropriation made for this purpose; the same entity received a one-time grant of $400,000 for this purpose in 2011.
- $200,000 for disbursement to Douglas County to partially reimburse public safety costs associated with the October 1, 2015 incident at Umpqua Community College.

- $200,000 for disbursement to Portland Playhouse for renovation and restoration of Portland Playhouse's theater in Portland's King neighborhood.

The Subcommittee added $3,059,680 Other Funds expenditure limitation for one-time costs of issuance and special payments associated with the disbursement of proceeds from the sale of $3,000,000 in lottery bonds for the City of Warrenton to rebuild a dock used by Pacific Seafood at the site of a seafood processing facility that burned down in June 2013. The processing facility was built in 1941 and acquired, along with the dock, by Pacific Seafood in 1983. The lottery bonds are approved in House Bill 5201. There is no debt service allocated in the 2015-17 biennium, as the bonds will not be sold until the spring of 2017. Debt service for 2017-19 is estimated at $675,152 Lottery Funds. The Subcommittee also increased Other Funds expenditure limitation by $55,000 to pay the cost of issuing $2,500,000 Article XI-Q bonds for repairs and improvements at the Oregon State Fair.

Other Funds limitation was increased by $453,681 to allow planning for the Human Resources Information System (HRIS) replacement project to continue through May 2016. DAS is to bring any request for additional funding needed to complete stage gate 3 planning through the end of the current biennium to the May 2016 meeting of the Emergency Board. In addition, DAS shall bring a plan to adjust rates and assessment charges for the second year of the biennium to fund both the HRIS planning project and new positions established as a part of the IT reorganization operationalized in Senate Bill 5701. A $6,500,000 General Fund special purpose appropriation to the Emergency Board for this purpose may be allocated to pay General Fund increases associated with assessment and rate increases.

Oregon Liquor Control Commission

The Subcommittee approved an Other Funds expenditure limitation in the amount of $1,117,762 for the Oregon Liquor Control Commission to implement the provisions of House Bill 4014, Senate Bill 1511, and Senate Bill 1598. Three permanent regulatory specialist positions and four permanent administrative specialist positions are anticipated to be needed due to an increase in the assumed number of licensees as medical marijuana producers are authorized to transfer excess marijuana to recreational retail outlets, and to cover costs associated with the additional number of people working in the marijuana industry that will be required to have work permits and training. Services and supplies expenditures include $350,000 for updates to the agency's "What's Legal" public information platform and associated outreach. Of the total amount, $350,665 Other Funds expenditure limitation is for costs associated with Senate Bill 1598; if that bill is not enacted, this expenditure limitation is to be unscheduled by the Department of Administrative Services Chief Financial Office.

A technical adjustment was approved to convert four limited duration liquor regulatory specialists approved as part of House Bill 5047 to permanent status. This adjustment will have no effect on expenditure limitation in the 2015-17 biennium.

Public Employees Retirement System

The Subcommittee increased expenditure limitation for the Financial and Administrative Services Division by $100,000 Other Funds for a shortfall in the Secretary of State audit charges assessment budget. In addition, increased expenditure limitation in the amount of $6,601,170 Other Funds was approved for the Financial and Administrative Services Division for the Office of the State Chief Information Officer Enterprise Technology Services assessment.

The Subcommittee approved a one-time increase in Other Funds expenditure limitation of $1,255,601 for the Public Employees Retirement System (PERS) Individual Account Program (IAP) information technology project. In addition, the Department of Administrative Services is to schedule all currently unscheduled Other Funds expenditure limitation for the project. The project is to move the administration of the IAP from a third-party administrator to the agency. A re-baselining of the project shows that initial project development costs have increased from $2.9 million to $6.1 million. The agency anticipates requesting an estimated $1.9 million during the 2017-19 biennium to complete project development. The Joint Legislative Committee on Information Management and Technology (JLCIMT) recommendations were also approved.

A one-time increase in Other Funds expenditure limitation of $1,659,976 was approved for information technology enhancements to the jClarety retirement system. JLCIMT recommendations were also approved. The Subcommittee directed the Department of Administrative Services to unschedule the entire $1.7 million until the conditions set forth by JLCIMT are satisfied.

Department of Revenue

The Subcommittee reduced the expenditure limitation for the Core Systems Replacement project by $500,000 Other Funds (recreational marijuana tax proceeds) to account for contract savings for the recreational marijuana module. The original development cost was estimated at $1 million in House Bill 5047 (2015).

Other Funds expenditure limitation for the Property Tax Division was reduced by $500,000 because the limitation is in excess of the operational needs of the program and is without an underlying revenue source.

The Subcommittee approved a $373,841 General Fund reduction and a reduction of 2.60 FTE for the Senior Citizens' and Disabled Citizens' Property Tax Deferral program. This technical adjustment will have no impact on the program, which is statutorily funded with Other Funds (Senior and Disabled Property Tax Deferral account). This is part of an effort to better align the agency's budget with actual program funding.

The General Fund appropriation for the Property Tax Division was increased by $1.4 million in personal services and FTE on existing positions was increased by 7.20. This appropriation is to backfill Other Funds revenue shortfalls in the County Assessment Function Funding Assistance Account, but only for Department of Revenue Valuation Section ($1.1 million), and for a reduction in county contract mapping services ($240,986). A $1.8 million reduction in Other Funds expenditure limitation was previously included in the agency's legislatively adopted budget. The 2017-19 biennial cost is estimated to be $1.9 million General Fund.

The Subcommittee approved an increase of $2,052,807 in Other Funds expenditure limitation (recreational marijuana tax) and the establishment of four permanent full-time Accounting Technician 2 positions (2.92 FTE) and one limited duration Principal Executive Manger B position (0.75 FTE) for the recreational marijuana program. In addition, an Economist 3 position, approved as part of House Bill 5047 (2015), is moved from permanent full-time to limited duration. Personal services costs total $481,063, with $653,792 in services and supplies and $917,952 in capital outlay. Of the $2.1 million expenditure limitation, $633,920 is one-time limitation for program start-up and facility construction costs. The 2017-19 biennial cost is estimated to be $1.4 million Other Funds. This request is for the processing of cash payments related to the recreational marijuana program; however, the Subcommittee's expectation is that this is to be done in an integrated fashion with the agency's current banking, Electronic Funds Transfer, and miscellaneous cash receipting of non-recreational marijuana taxes.

The Subcommittee approved an increase in Other Funds expenditure limitation of $874,747 for the Core Systems Replacement project. It was estimated that there were $6.9 million in bond proceeds for the project carried forward from the 2013-15 biennium; however, that figure was only recently revised to $7,804,187. The Department of Administrative Services is directed to unschedule the entire $874,747 pending the review and approval of the need for the expenditure limitation by the Legislative Fiscal Office.

Secretary of State

The Subcommittee established a $347,900 General Fund appropriation and one limited-duration position (0.25 FTE) to replace the Oregon Elections System for Tracking and Reporting (ORESTAR) Election Night Reporting module. The agency will use the funds to acquire a commercially-available off-the-shelf (COTS) product to replace an existing ORESTAR Election Night Reporting module that was developed in-house. The replacement system will offer expanded capabilities, including tabulation of local election vote counts and graphical and map-based display capabilities. A temporary project manager position was approved. The new system is expected to be fully operational in time for the 2016 General Election. The appropriation is approved on a one-time basis and will be phased out in the agency's 2017-19 biennium budget.

State Treasurer

The Subcommittee reduced Other Funds expenditure limitation for the Debt Management Division by $500,000 for a Rockefeller Foundation grant that the agency no longer receives.

CONSUMER AND BUSINESS SERVICES

Department of Consumer and Business Services

The Subcommittee approved an increase in the Other Funds limitation for the reclassification of positions in three divisions. The individual changes impacted ten positions. The adjustments included increased Other Funds expenditure limitation of $32,660 in the Building Codes Division, $30,878 in the Workers' Compensation Division, and $108,488 in the Insurance Division, for a total of $172,026. The additional expenditure limitation allows the agency to make position adjustments as approved by the Office of the Chief Human Resources Officer at the Department of Administrative Services without compromising the maintenance of the agency's ratio of supervisory to non-supervisory positions, as required under House Bill 4131 (2012).

The Subcommittee approved an increase in the Other Funds expenditure limitation of $379,219 for the establishment of four new positions (2.52 FTE) in the Building Codes Division. These positions include a Plans Examiner 2 position to be housed in Salem and three Inspector positions (Mechanical, Plumbing, and Electrical) to be housed at the Eastern Region Office located in Pendleton. The positions will address ongoing workload increases of the Building Codes Division as the economy continues to recover.

A net decrease in Other Funds expenditure limitation of $321,655 was made as a result of position adjustments in the Marketplace and Shared Services Divisions related to the operation of the Health Insurance Marketplace. Thirteen limited duration Program Analyst 2 positions were eliminated (-7.52 FTE) and six permanent, full-time positions (4.02 FTE) were established (one Outreach and Education Manager and five Program Analyst 2 positions). These changes result in a reduction of seven positions and $558,617 Other Funds expenditure limitation in the

Marketplace Division. This reduction was partially offset by an increase in Other Funds expenditure limitation of $236,962 in the Shared Services Division to cover the costs of converting one part-time, limited duration Operations and Policy Analyst 4 position to a full-time, permanent position (0.50 FTE) and to add an additional Procurement and Contract Specialist 3 position (0.67 FTE).

The Subcommittee approved a $6.4 million reduction in Other Funds expenditure limitation in order to reconcile the budget of the Health Insurance Marketplace with actual and anticipated expenditures of the program, which have been significantly different than what was anticipated in the legislatively adopted budget. The changes include reductions in anticipated expenditures due to pre-payment of contracts prior to the transfer of the insurance marketplace from Cover Oregon to the Department of Consumer and Business Services (DCBS), changes in information technology contracts, lower than anticipated personal services costs, and a reduction in anticipated payments for tax reporting errors. These reductions are partially offset by increases in legal fees and new information technology contracts.

A $1,732,528 Other Funds expenditure limitation increase was approved for additional marketing and outreach activities of the Oregon Health Insurance Marketplace. This additional expenditure limitation will be unscheduled until DCBS completes its review and analysis of the 2016 open enrollment year campaign and its plan for the 2017 open enrollment year campaign. The legislatively adopted budget included a budget note instructing the agency to complete a plan and report on each of the publicity and publication campaigns either upcoming or implemented for the Health Insurance Marketplace Program. DCBS submitted a publicity and publication plan and report to the Interim Joint Committee on Ways and Means in January 2015; however, that plan and report did not contain detailed information for the 2017 open enrollment year campaign since the agency had not yet completed its review of the 2016 plan. The additional funding, once rescheduled, will allow the agency to maintain the same level of expenditures during the 2017 open enrollment year as in 2016.

Discussions also took place regarding pharmacy benefit managers. The Subcommittee approved the following budget note.

> **Budget Note:**
> The purpose of this budget note is to clarify the Department of Consumer and Business Services' (DCBS) authority to regulate pharmacy benefit managers (PBMs). DCBS is directed to convene a workgroup to develop recommendations for rulemaking regarding PBM compliance. Based on those recommendations, the agency will draft rules regarding PBM compliance and report to the appropriate legislative policy committees by November 1, 2016. The report should include the draft rules, as well as any statutory changes or clarifications necessary to fully implement the draft rules, including fee recommendations for administration of the program.
>
> Draft rules must include, but are not limited to:
> - Notification system that includes a method for informing PBMs of new regulations, and for informing PBMs of complaints, investigations, and possible sanctions
> - Investigation procedures
> - Fees, fines, and resolution process that includes:
> - Overall schedule of fees and fines
> - Provisions for warnings before fines, based on circumstances

- Possible escalation of fine for multiple occurrences including combining multiple occurrences into a single complaint or enforcement action, or multiple claims related to a single reason or cause
- Setting a maximum annual per PBM fine
- Exceptions based on type of violation or other criteria
- A reasonable time to re-enter compliance
- Other provisions consistent with DCBS' existing enforcement authority and procedures

Bureau of Labor and Industries

Technical adjustments are included to reflect the budget recommended to the Joint Committee on Ways and Means by the Transportation and Economic Development Subcommittee during the 2015 regular session. Multiple amendments to Senate Bill 5517 were considered during the legislative review process, and the amendment that was submitted to and adopted by the Joint Committee on Ways and Means did not properly reflect the budget recommended by the Subcommittee. The adjustments reduce the General Fund appropriation to the agency by $113,604, increase Other Funds expenditure limitation by $206,871, and increase Federal Funds expenditure limitation by $2,696, for a total funds adjustment of $95,963.

Oregon Public Utility Commission

The Subcommittee increased the agency's Other Funds expenditure limitation by $170,226 and authorized one permanent position (0.63 FTE) to increase analytic capacity to address additional agency responsibilities resulting from legislative changes to the Renewable Portfolio Standard made during the 2016 Legislative session.

ECONOMIC AND COMMUNITY DEVELOPMENT

Oregon Business Development Department

The Subcommittee reduced the General Fund appropriation for debt service by $1,328,407, and established a $1,330,500 Other Funds expenditure limitation for general obligation bond debt service. Debt service for general obligation bonds is paid by the General Fund; however, the agency will substitute $1,330,500 of Article XI-M and Article XI-N bond proceeds, and interest earned on those proceeds, to pay debt service, in lieu of General Fund. The proceeds are from bonds originally issued for the Seismic Rehabilitation Grant program in 2010, 2011, and 2012. These proceeds were not used for seismic projects and will instead be used to offset debt service costs in the current biennium.

The Subcommittee increased Lottery Funds support by $1.5 million. This includes an increase for employee compensation changes and $960,514 Lottery Funds, approved on a one-time basis, for new or expanded programs. The Subcommittee increased Lottery Funds support for the Oregon Wave Energy Trust by $200,000, bringing current-biennium support to $450,000 Lottery Funds. Lottery Funds were increased by $400,000 to reapprove funding for replacement of the Port of Port Orford Cannery Building for one more biennium. Funding for this project was initially approved in the 2013-15 biennium. The Subcommittee also approved $100,000 of Lottery Funds to conduct a Willamette Valley Intermodal Hub Feasibility Study, to evaluate the viability of a strategic intermodal hub to optimize container shipment of Oregon agricultural products.

Lottery Funds totaling $260,514 and two positions (1.00 FTE) were approved to address administrative costs associated with the expansion of grant activity in the Seismic Rehabilitation Grant Program. The Department will need to fill the newly-established positions for three years beginning July 1, 2016, and will include a policy option package in its 2017-19 biennium budget request to convert the two approved positions from permanent to limited-duration status. The Department is also instructed to report to the Legislative Fiscal Office, following each sale of Article XI-M or Article XI-N general obligation bonds, on the projects and dollar amounts of project grants financed by the bond sale, as well as on the amount of bond proceeds budgeted for agency administrative costs.

The Subcommittee established a $1 Other Funds expenditure limitation for the American Manufacturing Innovation District, and increased Other Funds by $54,868 for cost of issuance of lottery revenue bonds for this project. The American Manufacturing Innovation District is a collaborative effort between government, industry, and academic institutions to invest in manufacturing infrastructure to promote advanced manufacturing. A total of $2.5 million of lottery revenue bond proceeds are authorized for this project in House Bill 5202, which also authorizes $5 million of Article XI-G bond proceeds for distribution to Portland Community College (PCC) in support of this project. The Subcommittee limited expenditure of bond proceeds to $1, pending a joint presentation with PCC of a business plan for developing the District. Debt service costs for the lottery revenue bonds authorized for this project are projected to total approximately $535,000 Lottery Funds per biennium, beginning in the 2017-19 biennium. Because the bonds will not be issued until spring 2017, there will be no debt service payments due in the current biennium.

The Subcommittee also approved a technical correction to the budget for the State Small Business Credit Initiative (SSBCI) program. This correction increases Other Funds expenditure limitations in the Business, Innovation and Trade Division by $388,773, and reduces the Division's Federal Funds expenditure limitations by the same amount. The SSBCI is funded from a federal grant the agency secured in 2011 that provided Federal Funds for revolving loan programs. It was noted when the grant was received that administrative costs for the program would transition to Other Funds over time, as the grant money was loaned out and the loan repayments were re-categorized as Other Funds. The Subcommittee added this anticipated fund shift, which had not been included in the agency's budget, to the bill.

Federal Funds expenditure limitation was increased for the Business, Innovation and Trade Division by $450,000 for expenditure of funds received under the Year 4 State Trade and Export Promotion grant program. This increase more than offsets the $388,773 Federal Funds expenditure limitation decrease for SSBCI and results in a net increase of $61,227 for the Business, Innovation and Trade Division Federal Funds expenditure limitation.

Finally, the Subcommittee approved a budget adjustment to increase Nonlimited Other Funds expenditures by $5,820,000. This adjustment reflects a greater level of loan repayments than originally anticipated in the budget. Loan repayments are not limited in the agency budget. The adjusted level of Nonlimited Other Funds in the Infrastructure Finance Authority will include approximately $24.2 million of loan repayments.

Employment Department

A technical adjustment is included for the Employment Department to more accurately reflect the amount expected to be utilized by the agency from $85 million in modernization funds appropriated to the agency through the federal Social Security Act. Close of session budget reconciliation adjustments resulted in more dollars being available from the Supplemental Employment Department Administrative Fund for

Department operating expenditures. This adjustment does not change the overall amount of the agency's recommended budget, merely the source from which the Department can make expenditures. As such, the appropriation of modernization funds made to the Department is decreased by $17 million; sufficient Other Funds expenditure limitation exists to enable the Department to make equivalent expenditures from a combination of Supplemental Employment Department Administrative Funds and the Special Administrative Fund.

Housing and Community Services Department

The Subcommittee approved an increase in General Fund of $2,727,660 for counseling services associated with the Oregon Foreclosure Avoidance Program. The 2015-17 legislatively adopted budget included $1.4 million General Fund, which was estimated to be sufficient through February 2016. The Housing and Community Services Department was directed to report back to the Legislature on program utilization, foreclosure rates, and actual monthly expenditures to counseling agencies. The additional General Fund is included for program expenditures for the remainder of the 2015-17 biennium, as follows: $2.36 million for counseling services provided on a fee-for-service basis as indicated via contract with the Housing and Community Services Department; $233,333 for legal aid services for counseling clients with particularly complicated circumstances; and $127,480 for agency program administration, with the understanding that the Department of Administrative Services will unschedule $275,000 of the amount. Funding for the program is not anticipated to be ongoing, although the agency may request funding for consideration during the 2017-19 budget process.

Also included is a one-time General Fund appropriation in the amount of $10 million to the Housing and Community Services Department to be utilized as follows: $8 million is for homelessness assistance and prevention services through the Emergency Housing Assistance (EHA) program and $2 million is to the State Housing Assistance program (SHAP) for operational support for emergency shelters and supportive services to shelter residents. Funding for the EHA program is spent as Other Funds by the Department, and is reflected in an additional $8 million in Other Funds expenditure limitation.

Other Funds expenditure limitation in the amount of $2,554,868 is included to enable the Housing and Community Services Department to expend proceeds from the sale of lottery bonds for preservation of affordable housing with expiring federal subsidies. Of this amount, $2.5 million is attributable to project costs and $54,868 is related to cost of issuance. Eligible projects for which these funds can be expended are defined as the following:

- Privately owned multi-family rental properties where at least 25% of the units are subsidized by a project-based rental assistance contract through the U.S. Department of Agriculture Rural Development or the U.S. Department of Housing and Urban Development;
- Existing manufactured housing communities to be acquired by a mission-based non-profit organization, resident cooperative, tenants' association, housing authority, or local government; or
- Public housing projects undergoing a preservation transaction which involves a comprehensive recapitalization and which will secure ongoing rental subsidies.

Oregon Department of Veterans' Affairs

The Subcommittee approved an increase in Federal Funds expenditure limitation of $499,999. The Oregon Department of Veterans' Affairs (ODVA) received a 2015 grant from the U.S. Department of Veteran's Affairs in the amount of $500,000 for transportation of Oregon veterans in highly rural areas to medical appointments. Awards of $50,000 per county will be used to preserve and maintain transportation programs established with the 2014 federal grant award. The counties receiving funds are Baker, Gilliam, Grant, Harney, Lake, Malheur, Morrow, Sherman,

Wallowa, and Wheeler. ODVA acts as the applicant and grantee on behalf of the counties, and will pass through funds and monitor compliance with grant requirements. The grant is for a period of one year and requires no matching funds or additional positions for administration. A placeholder amount of $1 in Federal Funds expenditure limitation was included in the legislatively adopted budget for the agency.

EDUCATION

State School Fund

The Subcommittee approved a decrease of $39,553,391 General Fund and an increase of $39,553,391 Lottery Funds for the State School Fund. These changes reflect the balance of available General Fund and Lottery Funds for the overall state budget and maintains the amount of $7,376 million total funds for the State School Fund for the 2015-17 biennium.

Department of Education

The Subcommittee approved changes in the Federal Funds expenditure limitations for agency operations for federal grants received by Department of Education as described below:

- An increase of $7,130,223 for a three-year federal grant from the U.S. Department of Education's Office of Innovation and Improvement. The purpose of the grant is to increase the number of high-quality charter schools by providing assistance to potential charter schools for planning, program design, and initial operations. Funds will also be used to share best practices among all charter schools and sponsoring districts. One limited duration position (0.63 FTE) was approved relating to the grant.
- An increase of $1,160,860 for three separate child nutrition grants from the U.S. Department of Agriculture. The three grants were the Professional Standards Training grant ($138,915), the Team Nutrition grant ($203,563), and the Tier 2 Direct Certification Improvement grant ($818,382). A limited duration position (0.63 FTE) was approved for the Tier 2 Direct Certification Improvement grant.

The Subcommittee approved an increase of $515,200 Other Funds expenditure limitation to cover costs of an increase in the number of students participating in the Hospital Program. The agency is required to provide and pay for the costs of educational services for children, through age 21, who are expected to be hospitalized for an extended period of time. This increase will be funded through an increased distribution from the State School Fund. Also approved was a transfer of $51,458 General Fund from the breakfast and summer food programs under Grant-in-Aid to agency Operations for the administration of the Farm-to-School program. A one-time increase in the Other Funds expenditure limitation of $2,030,515 for the Oregon School for the Deaf was approved for deferred maintenance, including replacement of the School's Heating Ventilation Air Conditioning, or HVAC, system. The source of funds for this includes moneys set aside from the sale of the School for the Blind property, income from the rental of school facilities, and the anticipated sale of a vacant parcel of school property. The Department of Administrative Services is instructed to unschedule this increase until the final cost of the project is determined and the sale of the vacant property is completed.

To ensure that debt service payments on education-related Lottery Bonds are funded from the proper sources, the Subcommittee approved changes to the amount of Lottery Fund resources allocated to the Department of Education. House Bill 5016, the 2015 appropriation bill for the agency, allocated the entire $1,434,927 required for debt service payments from the Oregon Education Fund. The actual allocation is $593,395 from the Oregon Education Fund and the remaining $841,532 is from the Administrative Services Economic Development Fund.

The Subcommittee approved an increase of $3,130,000 General Fund for the Oregon Department of Education's agency operations to fully fund the Assessment and Accountability unit. The 2015-17 budget for this unit was inadvertently underfunded by $3,771,938 General Fund and needs these funds to meet its responsibilities and commitments. This budget gap is resolved by transferring $930,000 General Fund from the Grant-in-Aid budget in unallocated resources and an increase of $2,200,000 in new General Fund resources. The remaining $641,938 is to be found by the agency in savings in its existing agency operations budget, including holding positions vacant in the unit. There is also a transfer of $2,000,000 in excess Federal Funds expenditure limitation from the Grant-in-Aid budget to Operations, and an additional increase of $1,971,397 in Federal Funds expenditure limitation to match the amount of federal funding available for this function.

General Fund increases for existing programs were approved as described below:

- Funding for the Oregon Pre-Kindergarten program was increased by $5.3 million, bringing the total General Fund resources for this program to $145.3 million.
- Funding for the Early Intervention and Early Childhood Special Education programs was increased by $5,393,340 General Fund. This increase reflects, in part, the growth in these two programs at a rate greater than estimated at the end of the 2015 session. Total General Fund resources for these programs, including this increase, is $155.8 million.
- The Relief Nurseries program was increased by $300,000 General Fund, bringing the total General Fund available for the 2015-17 biennium to $8.6 million. This additional funding and the $700,000 General Fund appropriated by chapter 837, section 109, Oregon Laws 2015 should be considered permanent for the purposes of developing the 2017-19 budget.

One-time General Fund appropriations were approved by the Subcommittee for new programs and grants as described below:

- $260,000 General Fund for a grant to the Burnt River School District for the Burnt River Integrated Agriculture/Science Research Ranch program. This program provides educational opportunities to students from outside the district, including from the Portland area, and provides a number of educational services outside of the core curriculum common to all high school students, including natural resource studies, agricultural experience, water quality monitoring, animal husbandry, sustainable rangeland science, forest restoration, and organic food production.
- $400,000 General Fund for grants to organizations which provide training and assistance relating to culturally relevant educational practices authorized as eligible services under the Network for Quality Teaching and Learning under House Bill 4033. Grants of equal value are to be provided to two organizations: (1) Center for Culturally Responsive Practices and (2) Teaching with Purpose.
- $95,000 General Fund appropriation for a grant to the World of Speed organization for the High School Automotive Career Technical Education program. The organization partners with Clackamas Community College and area high schools to provide automotive related career technical education (CTE). Other high schools have expressed interest and the $95,000 would be used to match other contributions to the program, assisting with cost of transporting students to the facility for classes, and other program costs.

The Subcommittee eliminated the $17,540,357 General Fund special purpose appropriation to the Emergency Board for the mixed delivery preschool program established in House Bill 3380 (2015) and directly appropriated the same amount to the Oregon Department of Education for

the same purpose. The intent is for this funding to be distributed to four to six Early Learning Hubs that demonstrate that the Hub and the providers in their service area are prepared to implement the mixed delivery preschool model beginning in September 2016. In developing the 2017-19 current service level budget for this program, only the full two-year costs of this appropriation should be factored into the calculation. Any further expansion to add new Early Learning Hubs should be a separate policy decision made by the Legislature during the 2017 session. In addition to the annual report to the Legislature required in House Bill 3380 (2015), the agency is instructed to report to the Emergency Board prior to June 1, 2016 on which Early Learning Hubs were selected, the number of preschool providers estimated to be delivering the program, the estimated number of children that will be served under the program, and an update on the various cost components of the program.

One permanent Research Analyst 3 position (0.63 FTE) was approved to manage and analyze information collected through the Class Roster data from school districts under House Bill 2644 (2013). The agency will identify the funding from existing resources for the 2015-17 biennium.

Higher Education Coordinating Commission

The Subcommittee approved a one-time $1,800,000 General Fund appropriation to the Higher Education Coordinating Commission (HECC) for a grant to Umpqua Community College (UCC) to address the issues resulting from the shooting incident on the UCC campus on October 1, 2015. The funding may be used for: (1) staff, including security staff; (2) upgrading security communications equipment, door locks, and campus lighting; (3) upgrading the campus's network fiber system to accommodate the new communications equipment; and (4) other costs related to the October 1st incident. HECC is to report back to the Legislature as part of its budget presentation to the Joint Committee on Ways and Means in 2017 on how these resources were expended. Also approved was a one-time $4,250,000 General Fund appropriation to HECC for a grant to UCC for the construction or renovation of a replacement for Snyder Hall where the shooting incident took place. The College is currently not using the classroom space in the building and is relying on temporary structures to replace some of the space.

The Subcommittee recognized the Community Colleges' needs regarding campus and student security and safety issues which were illustrated, in part, by the shooting incident at UCC. The Governor has appointed a workgroup to recommend actions and investments for security and safety at Community College and other Post-Secondary institutions. Based on the recommendations of the workgroup and the Community Colleges, the Legislature will address this issue during the 2017 session.

An $804,506 increase in Other Funds expenditure limitation was approved by the Subcommittee for payment of the costs of issuing General Obligation bonds on behalf of community colleges and public universities. This increase represents the estimated amount required if all of the bonds authorized for the 2015-17 budget cycle are issued by the end of the current biennium.

The Subcommittee also approved three one-time General Fund appropriations to HECC to be allocated to Oregon State University. The first appropriation is $800,000 for the Northwest National Marine Renewable Energy Center to serve as match for federal funds for the Pacific Marine Energy Center South Energy Test Site. The federal government has made an initial $5 million available to fund a competitive grant to further develop a wave energy test facility, with the expectation that a 25% local match will be provided. HECC is only to release the funds if Oregon State University is awarded the grant. The second appropriation is $100,000 for endophyte research which is to be matched by private dollars. These funds are to be used only for endophyte research in support of Oregon's fiber and straw export industry. A report to the Legislative Fiscal Office on how the funds were used in support of endophyte research and what was made possible by this additional influx of funds should be made by December 31, 2016. The third is $100,000 for the purpose of establishing an endowed scholarship fund through the Oregon State

University Foundation. The scholarship must be used to support students engaged in research associated with Amyotrophic Lateral Sclerosis (ALS).

The Subcommittee approved a one-time General Fund appropriation of $1,900,000 for the four technical and regional universities, along with Portland State University, to help fund new compensation agreements for classified staff. HECC is directed to distribute the following amounts to the following universities: Portland State University - $400,000; Eastern Oregon University - $251,559; Southern Oregon University - $468,591; Western Oregon University - $485,646; and Oregon Institute of Technology - $294,204.

Budget Note:

The Subcommittee recognizes that the Current Service Level (CSL) is intended to estimate the cost of legislatively approved programs in the upcoming biennium. In 2009, the Joint Committee on Way and Means approved the adoption of a CSL model for the Community College Support Fund (CCSF) to reflect health benefit and retirement costs expected to exceed the Department of Administrative Services standard inflation rate.

To ensure consistency in post-secondary state support CSL calculations, the Department of Administrative Services (DAS) and the Legislative Fiscal Office (LFO) are directed to develop, in consultation with the Higher Education Coordinating Commission and the seven public universities, an estimated cost of applying the Community College Support Fund model to the Public University Support Fund, the Agricultural Experiment Station, the Extension Service, the Forest Research Laboratory, and Public University State Programs. The estimate will include data elements that the public universities will be required to submit to HECC in order to implement the model.

DAS and LFO will provide the estimated cost to implement the Community College Support Fund CSL model for Public University state support to the Emergency Board, through the Legislative Fiscal Office, by July 1, 2016.

Chief Education Office

The Chief Education Officer, in cooperation with other education agencies, has completed the steps necessary to receive Stage Gate 3 approval to move forward on the development of the Statewide Longitudinal Data System (SLDS). This means the project staff have completed the required project management documents with approval from the State's Chief Information Officer. As a result, the Subcommittee approved $5,505,280 General Fund for the project development and staff for this biennium. Based on the project's schedule, this will leave one quarter's worth of development costs for 2017-19. Ongoing costs for the Data System, starting in 2017-19, are estimated to be roughly $3.0 million per biennium, including staff for the operation, data integration, and maintenance, as well as the network-related costs due to the Department of Administrative Services (DAS). Also approved were 3 new permanent positions (1.75 FTE) and an additional 1.86 FTE to continue three existing limited duration positions for the remainder of the biennium. Two of these three limited duration positions, the Project Director and Systems Integration positions, are made permanent. DAS is instructed to unschedule $495,000 of this appropriation, which represents the project contingency funds. The agency can make a request to DAS and the Legislative Fiscal Office to reschedule these contingency funds if need arises before the end of the biennium. The Chief Education Office is instructed to report to the Emergency Board prior to October 1, 2016 on the project's progress and expenditures.

Teacher Standards and Practices Commission

Senate Bill 78 (2015) appropriated $200,000 General Fund to the Teacher Standards and Practices Commission to be transferred to the Teacher Education Program Accreditation Account. This funding was intended to support grants for teacher education programs that incur costs associated with national teacher accreditation. According to current accounting practices, the agency needs to expend the $200,000 as "Other Funds," requiring an Other Funds expenditure limitation increase of $200,000 so these grants may be awarded.

Various Agencies

The Subcommittee approved the transfer of $2.0 million General Fund from the Oregon Department of Education (ODE) to the Higher Education Coordinating Commission (HECC). These funds had been part of a larger investment in Career and Technical Education (CTE) and Science Technology Engineering and Mathematics (STEM) programs appropriated to ODE in House Bill 5016 (2015). One component of this CTE and STEM investment was a program related to post-secondary success to provide start-up funding and support services for the recruitment, retention, and attainment of underserved students in post-secondary programs related to high-demand fields including, but not limited to, health sciences, computer science, engineering, high tech manufacturing, precision agriculture, and advanced food processing. This program is more appropriately administered by HECC.

The Subcommittee approved one-time increases in the General Fund appropriations for the Chief Education Office, HECC, and ODE for student transitional services and supports between secondary and post-secondary education. This distribution reflects, in part, the product of a workgroup organized by HECC to recommend what services should be funded by a $6,865,921 General Fund special purpose appropriation made in Senate Bill 418 (2015). This bill eliminates the special purpose appropriation and uses some of these resources to fund transitional services under House Bill 4076. Additionally, a total of $4,025,000 is appropriated for transitional services and supports between secondary and post-secondary education as outlined below.

	General Fund Appropriation
Chief Education Office	
Summer summit for high school and post-secondary staff including counselors and financial aid staff	$ 300,000
Local collaboration between high school counselors and post-secondary advisors	$ 700,000
Higher Education Coordinating Commission (HECC)	
Community College support for improved Developmental Education models	$ 600,000
Community College support for development and alignment of Career Pathways	$ 600,000
Expansion of eMentoring for Oregon Promise students	$ 120,000
Statewide expansion of FAFSA Plus	$ 105,000
Subscription of Signal Vine connecting with students via two-way texting	$ 100,000
Evaluation and tracking implementation of transitional supports and services in this bill	$ 50,000
Oregon Department of Education	
License for College and Career Readiness counselor training modules	$ 50,000
Expansion of AVID or similar program for high schools	$ 1,400,000
Total	**$ 4,025,000**

HUMAN SERVICES

Oregon Commission for the Blind

The Subcommittee approved one-time increases of $680,109 General Fund, $199,049 Other Funds, and $3,248,343 Federal Funds to purchase vending machine equipment for the agency's Business Enterprise Program. The Department of Administrative Services is expected to unschedule these amounts, which may only be rescheduled based upon the successful request of federal reallotment funds from the U.S. Department of Education.

Oregon Health Authority

Senate Bill 5701 adjusts the Oregon Health Authority (OHA) budget for updated pricing of program caseloads, costs, and revenues to "rebalance" the budget. This information was presented at the January 2016 meeting of the Interim Joint Committee on Ways and Means. The agency's rebalance plan resulted in an overall General Fund shortfall of $37.6 million. This net position included budget problems of $129.7 million General Fund related to increases in caseload and other program costs. Savings of $67.1 million General Fund resulted from a change in the federal match rate, as well as from additional revenues from a number of sources. In addition, the agency is planning to implement management actions to decrease costs by $25 million General Fund. These include an acceleration of the redetermination process next year, a delay in fee-for-service rate adjustments, and enhanced savings from program integrity efforts, including fraud detection.

The rebalance plan increases Federal Funds expenditure limitation by almost $1 billion, mostly related to the increased caseload forecast. There are also a number of technical adjustments included in the rebalance. While these normally net to zero for the agency as a whole, in this case there is a transfer of 14 positions from the Department of Human Services to OHA.

As discussed during the 2015 legislative session, the agency has implemented an agency restructure as a part of this rebalance. The new structure is designed to promote health care transformation, including integration of physical, behavioral, and dental health. This structure better reflects the new work of coordinated care organizations, as well as public health programs aligned with system transformation. Most significantly, the old Medical Assistance Programs (MAP) and Addictions and Mental Health (AMH) are eliminated in the restructure, with MAP and community mental health and addictions programs moving to the new Health Systems Division (HSD). The Oregon State Hospital (OSH) will now be its own budget structure.

As a part of the agency restructure, a thorough review of positions was conducted. Partly historical, dating back a number of years, and partly as a result of the implementation of health care transformation and the Affordable Care Act when many staff were brought on to perform time-sensitive tasks, the agency found itself with many staff but without appropriate position authority. In addition, as health care transformation moved forward, the agency needed fewer positions in some areas but more and/or different kinds of positions in other areas. The true-up included in the rebalance resolves issues of permanent staff not having position authority, as well as limited duration staff that had been used for on-going functions and priorities now becoming permanent positions. Overall, the changes are budget neutral and result in a reduction of two positions and an increase of 9.52 FTE.

The agency continues to face a number of budget risks that were not explicitly included in the rebalance plan. These include changes to caseloads, prescription drug costs, increased Aid and Assist population in the Oregon State Hospital, and costs of pending litigation. The special purpose appropriation of $40 million that was established during the 2015 legislative session for OHA or the Department of Human Services will remain in place to address caseload costs or other budget challenges that the agencies are unable to mitigate.

The Subcommittee approved the agency's rebalance plan, with one notable exception. Costs of $17 million General Fund related to the Medicaid Oregon eligibility (ONE) system were not funded at this time. These are costs to maintain the old eligibility system for litigation purposes after the contract with Oracle expires in March 2016. In addition to rebalance adjustments, the Subcommittee approved $25 million of additional hospital assessment revenue that is remaining from the program ending September 30, 2015, which will be used in the budget in place of General Fund.

Overall, the adjustments made in Senate Bill 5701 result in an increase in the agency's total funds budget of $1.1 billion, a reduction of General Fund of $1.5 million, and an increase of 21 positions (22.88FTE). These numbers do not include budget changes related to employee compensation cost changes, which total $20.8 million General Fund and $37.8 million total funds, and are also included as part of Senate Bill 5701.

A more detailed description by program area follows.

Health Systems Division

The budget adjustments in Senate Bill 5701 reflect a net $8.3 million decrease in General Fund in the Health Systems Division (HSD), with a $75.4 million increase in Other Funds expenditure limitation and a $964.7 million increase in Federal Funds expenditure limitation.

The rebalance plan for HSD approved by the Subcommittee includes increased caseload costs of $84.4 million General Fund. Caseload forecasts are up primarily because redeterminations have been delayed several times over the past year. With the recent implementation of the new ONE eligibility system, the agency anticipates catching up on redeterminations over the next year. While the caseload forecasts have attempted to build in the timing of these redeterminations, forecast risks will remain higher than usual until the data has settled down over an extended period of time and there is good historical information on which to base the forecasts. Other costs include $10.7 million General Fund for an increase in the Medicare Part D clawback required by the Centers for Medicare and Medicaid Services (CMS). Medicare Part B premiums have also increased, resulting in a General Fund need of $7.2 million. Oregon pays these premiums for clients that are eligible for both Medicare and Medicaid. Eight additional Federally Qualified Health Centers (FQHCs) are moving to the alternative payment methodology, resulting in a one-time cost of $3.1 million General Fund.

The rebalance plan includes a General Fund need of $20.9 million General Fund for the new ONE eligibility system. Additional refinement of operational and maintenance costs for the system have resulted in a need for $3.9 million General Fund above what is currently budgeted. The remaining $17 million represents the costs to maintain the old eligibility system for litigation purposes after the contract with Oracle expires in March 2016. The Subcommittee did not approve that $17 million General Fund in the final budget.

The rebalance plan includes a total of $63.4 million General Fund savings in HSD. This includes a $10.2 million savings resulting from an increase in the federal match rate for Oregon, and $11.8 million freed up by an increase in the tobacco tax revenue forecast for the biennium. In addition, $25 million of Other Funds are left over from 2013-15 and can be used to replace General Fund for the current biennium. Settlements and drug rebate revenues are coming in about $15 million above budget and will replace General Fund as well. Finally, caseloads related to forensics patients living in the community went down slightly for a savings of $1.4 million.

The rebalance plan includes management actions to decrease costs by $25 million General Fund, all in HSD. These include an acceleration of the redetermination process next year, a delay in fee-for-service rate adjustments, and enhanced savings from program integrity efforts, including fraud detection. Finally, the rebalance includes an additional $964.7 million in Federal Funds expenditure limitation, primarily because of the increased caseload. An addition of $40.4 million Other Funds expenditure limitation results from the additional revenues discussed above.

In addition to rebalance adjustments, the Subcommittee adjustments include the addition of $35 million of additional hospital assessment revenue that remains from the assessment program that ended September 30, 2015. Of the total, $25 million will be used to replace General Fund in the 2015-17 budget, while the remaining $10 million Other Funds has been approved for one-time investments in rural hospital transformation and sustainability as outlined below. These recommendations were brought forward by a workgroup required by a Senate Bill 5507 (2015) budget note.

For investment in rural health provider workforce capacity, it is expected that at least $1.5 million Other Funds will be used to support the work of Oregon’s Graduate Medical Education Consortium.

Investments in small and rural hospital transformation strategies include: establish transitional post-acute care programs (cost of $4 to $7 million over three years), establish virtual clinics in communities with acute primary care shortages (cost of up to $1.1 million), and provide education for rural providers on population health (cost of $100,000). Costs associated with each option available to rural hospitals will depend on the number of hospitals that pursue each option. Rural hospitals have the flexibility to select one or more options depending on local needs. The funding for hospital programs will be distributed through OHA, to the Oregon Association of Hospitals Research and Education Foundation, which will collaborate with OHA to identify related baseline and outcome data on each project and report that data to OHA as well as provide the funding to implement each of the projects available to rural hospitals.

The following budget note was approved by the Subcommittee.

> **Budget Note:**
> The Oregon Health Authority shall identify and track related outcomes on each project that is implemented as a result of the $10 million investment in rural hospital transformation and sustainability, shall provide regular updates to the Legislative Fiscal Office and the Department of Administrative Services Chief Financial Office, and shall report back to the Joint Committee on Ways and Means during the 2017 legislative session on the implementation and status of the projects, outcomes to date, costs to date, as well as recommended policies which will improve population health outcomes in rural Oregon.

The Subcommittee included $2 million General Fund for the Medicaid Primary Care Loan Repayment Program. This program was funded in the 2013-15 biennium, but not in the current biennium. The budget also includes $0.5 million General Fund for negotiated compensation cost changes for non-state employees. As discussed above, most of the special purpose appropriation of $10.7 million, which had been set aside for this purpose, was distributed to OHA and the Department of Human Services.

The Subcommittee included $900,000 of one-time General Fund for planning and start-up costs related to providing medical assistance for additional children in Oregon. The following budget note was approved.

> **Budget Note:**
> The Oregon Health Authority is directed to develop a plan and recommendations for extending medical assistance to children not eligible under ORS 414.231(3) including: eligibility criteria, coverage options, enrollment estimates, issues of equity and inclusion, integration with other programs, outreach, administrative and staffing changes, phasing options, and cost estimates. In developing the recommendations, the agency is expected to engage stakeholders and legislators, and utilize information on experiences in other states. The agency will report back to the appropriate committees during the 2017 legislative session on their plan and recommendations.

Oregon State Hospital

The rebalance plan approved by the Subcommittee for the Oregon State Hospital (OSH) includes $2.7 million General Fund to finish the implementation of the Avatar system, the electronic health record system at the hospital. Much of the Avatar system has been completed and adopted into the normal workflow processes. This includes the Clinician Work state, Lab Management, and Food and Nutrition Services.

However, the Medication Management and the Billing modules have not yet been fully implemented and adopted into the workflow processes. Implementation of the medication management module will allow the use of automated dispensing of medication, as well as electronic medication administration records. A recent Secretary of State audit noted the importance of finishing this work, both from an efficiency and patient safety perspective. The Billing module will assist in more accurate and timely reimbursement requests to Medicare, Medicaid, and third party insurance providers. The agency has contracted with a company to assist with the final adoption and implementation of these parts of the system.

The rebalance plan also includes the transfer of $10 million General Fund from OSH to Statewide Assessments and Enterprise-wide Costs (SAEC). This funding was put in the OSH budget to be used for cost allocation purposes once the agency had done a thorough review of cost allocation issues within OSH and agreed with CMS on a new cost allocation plan. Once cost allocation is actually implemented, the funding will need to be in SAEC.

Although the agency believed it was too early to bring forward as a formal request, there is risk to the Oregon State Hospital budget. The Aid and Assist population at the hospital continues to grow and may ultimately result in the need to open an additional ward. The agency is in the process of implementing several investments that are expected to ease the pressure from this population, and so at this point is not requesting any funding. OSH is also closely monitoring the use of overtime, particularly as it relates to staff use of the federal Family and Medical Leave Act, and may eventually request additional positions to deal with these issues.

Public Health

The Subcommittee approved an Other Funds expenditure limitation of $4.0 million and two permanent positions (1.00 FTE) for a youth marijuana-use prevention pilot project as required in House Bill 4014. The one-time funding for this program will be transferred from the Oregon Liquor Control Commission Account, to be repaid out of marijuana tax revenues. This evidence-based pilot project will serve as a basis for establishing a statewide program during the 2017-19 biennium. The distribution of marijuana taxes during the 2017-19 biennium may be adequate to fund the statewide program, but if not, the agency will need to request additional funding to operate an ongoing program.

The agency anticipates establishing a new fee for medical marijuana processors, and increasing the fee on growers, effective April 1, 2016. These fees are necessary to pay for the increased costs to the program with the changes that resulted during the 2015 session. The increased expenditure limitation was included in the agency's 2015-17 legislatively adopted budget.

The agency anticipates a fiscal impact from House Bill 4014 and Senate Bill 1511, which make changes to both the medical marijuana and recreational marijuana systems. In addition to the pilot project discussed above, House Bill 4014 requires the agency to issue receipts to medical marijuana registry applicants on the same day that they are received. This is expected to require additional staff. Senate Bill 1511 allows producers, processors, and distributors that currently are limited to medical marijuana only to choose to operate in both the medical and recreational markets. In that case, both the licensing revenue and the regulatory functions related to those entities will move to the Oregon Liquor Control Commission (OLCC). In the short run, this will create additional workload for program staff in Public Health, as paperwork is completed to allow the entities to shift. In the long run, OHA estimates up to a $5.6 million loss of revenue during the 2015-17 biennium, as producers, processors, and dispensaries opt to be licensed and registered by OLCC. While the agency would also experience some cost reductions as less regulatory work would be required, it is likely that the revenue reduction would occur sooner than the costs can be reduced. The overall effects cannot be estimated accurately at this time.

The agency expects to include the necessary adjustments to expenditure limitation, as well as adjustments to numbers and classifications of positions needed, in the rebalance they will submit during the fall of 2016. In their rebalance report, the agency will also report on the estimated revenue loss and its program impact. A number of on-going core public health programs are funded with fee revenue generated through the medical marijuana program. If revenues are inadequate to fund these programs, General Fund could be required to continue these programs, or the programs would need to be reduced or discontinued. These programs include state support for local public health departments, the Safe Drinking Water Program, Emergency Medical Services, and others.

One full-time position (0.38 FTE) was approved for the Prescription Drug Monitoring Program for workload associated with House Bill 4124.

Central and Shared Services/Statewide Assessments and Enterprise-Wide Costs

The rebalance plan approved by the Subcommittee for the administrative units of the agency includes $0.6 million General Fund for mass transit costs and treasury fees that were not included in the original budget. In the future, these need to be incorporated in the budget build process.

Debt service is also included within these budget units. The Oregon State Hospital Replacement Project is expected to close out with a surplus of $3.7 million in bond proceeds. This surplus will be used to pay down debt service and free up General Fund. Another $0.4 million Other Funds expenditure limitation has been identified by the Department of Administrative Services as available to pay debt service on these bonds, also freeing up General Fund.

Department of Human Services

The 2015-17 budget for the Department of Human Services (DHS) is built around nine budget structures and five appropriations. The budget structures reflect five direct program areas: Self Sufficiency (SS); Child Welfare (CW); Vocational Rehabilitation (VR); Aging and People with Disabilities (APD); Intellectual and Developmental Disabilities (IDD); and four program support functions: Program Design Services (PDS), Central Services (CS), Shared Services (Shared), and State Assessments and Enterprise-wide Costs (SAEC).

The majority of the DHS budget adjustments approved by the Subcommittee are driven by actions needed to rebalance the agency's budget. At the January 2016 meeting of the Interim Joint Committee on Ways and Means, the agency presented a rebalance report indicating a significant funding need – $71.7 million General Fund – to sustain programs for the remainder of the biennium. This projection incorporates a number of issues affecting the agency's budget, including caseload changes, increases in cost per case, and other program changes or issues arising since the 2015 legislative session.

The biggest drivers of the budget deficit are caseload costs in the APD and IDD programs, some of which are compounded by collective bargaining actions and federal regulations. While these issues were identified as budget risks during the 2015 session and handled either directly in the budget or through special purpose appropriations, some costs were not adequately estimated. In addition to costs, the DHS rebalance calculation does factor in caseload savings in Temporary Assistance for Needy Families (TANF) and from federal match rate changes. The approved rebalance plan addresses part of the budget gap by directly adding $37.4 million General Fund to the budget; however, this leaves about $34.9 million General Fund associated with APD and IDD caseload costs unfunded (as of the current projection; the unfunded amount may change as expenditures are recorded and projections evolve).

The special purpose appropriation of $40 million that was established during the 2015 legislative session for DHS or OHA has been left untouched and continues to be available for the Emergency Board to allocate to help cover caseload costs or other budget challenges that the agencies are unable to mitigate. However, if demand ends up being greater than the amount of funding set aside, other legislative action may be required early in the 2017 session. DHS will continue to closely monitor caseload counts and costs in all programs, while continuing to develop long term solutions to ensure budget sustainability.

Regarding sustainability, the budget report for House Bill 5026 (2015), contained a budget note directing the agency to report, during the 2016 legislative session, on ways to ensure program sustainability specifically for the APD and IDD programs. This direction was in response to concerns about budget growth and increases in both caseload volume and costs. The agency engaged an external consultant to support the development of independent and unbiased options for program sustainability. The final report, produced by the Lewin Group, was received on February 10, 2016, and identifies potential strategies for "bending the cost curve" in these programs. Suggestions primarily revolve around changing eligibility, modifying services, and increasing participant cost-share. Input from stakeholders was included in the report; while they acknowledge that projected program costs are unsustainable, there are varying perspectives on how best to deal with costs.

Legislative members expressed frustration with the report, as it had a limited amount of modeling, was unable to capture all potential budget drivers, and did not result in a list of succinct options for potential action. Both the Lewin Group and DHS indicated this was primarily due to time and data constraints. A group of legislators, primarily from the policy and budget committees overseeing human services issues, is committed to working with the agency and stakeholders to develop policy and program change options discrete enough to be fully vetted and priced for potential budget action in the 2017 legislative session. DHS has also identified some areas where it can start to make some changes, mostly around best practices for assessing client needs and validating that the most appropriate services/service levels are being authorized. To formalize these efforts, the Subcommittee adopted the following budget note:

Budget Note:

1) The Department of Human Services is directed to take steps to provide policy and budget options for decision making that will be required during the 2017 legislative session to ensure future sustainability of the APD and IDD programs. Steps include further refinement, analysis, and pricing of viable options or ideas brought forth by the agency, stakeholders, and other interested parties; the focus should be on ways to control caseload growth and utilization. The agency will reach out to legislators, stakeholders, and partners to assist in this effort. In developing sustainability proposals, the Department shall prioritize options that minimize impacts on consumers and providers. The Department will also formally report, at a minimum, to the Emergency Board during Legislative Days in May and December 2016 on progress made under both parts of this budget note. The agency may also be requested to report to interim legislative policy committees on human services.

2) In addition to the work described above, the Department is also directed to take immediate actions that may help contain costs without changing the current service system structure and that do not require statutory changes. The agency's action plan includes:
    - Review and correct, if needed, the relationship between assessment tools and program eligibility criteria;
    - Take action to more efficiently align service authorization with people's needs, also consider appropriate limits;

- Work to limit use of overtime in service plans; but the agency should take into account workforce shortage areas, the needs of consumers, and changes to current consumer provider relationships;
- Continue discussions with CMS to prevent the conversion of natural support to paid support, with consideration for parental responsibility; and
- Further restrict the live-in program to prohibit live-in service plans when the individual lives in their family's home or the family lives with the individual and is served by that relative (they would still be served in the hourly program).

Overall, the adjustments made in Senate Bill 5701 increase agency's budget by just under $350.0 million total funds; comprised of $36,651,673 General Fund, $27,557,059 Other Funds expenditure limitation, and $285,760,479 Federal Funds expenditure limitation. The associated staffing changes result in a net increase of 16 positions (7.23 FTE). These numbers do not include budget changes related to statewide employee compensation, which total $27.5 million General Fund ($60.6 million total funds), and are also included as a part of Senate Bill 5701.

In addition to caseload cost underfunding and caseload forecast/cost volatility, there are other budget risks. These include costs associated with the approved settlement agreement for the *Lane v. Brown* lawsuit (reduce number of clients in sheltered workshops) and other legal expenses; federal changes to funding streams, program requirements, and possible sequestration; and impacts of economic changes, such as a recession.

A more detailed description of each program area's budget adjustments follows. For context regarding caseload changes, the 2015-17 legislatively adopted budget was based on the spring 2015 caseload forecast; the rebalance adjustments in Senate Bill 5701 factor in caseload and cost changes tied to the fall 2015 forecast, published in January 2016.

Self Sufficiency

The budget adjustments approved by the Subcommittee for the Self Sufficiency (SS) program reflect a decrease of $36.7.million General Fund (and total funds) and 1 position (no FTE change).

The fall 2015 forecast projects the 2015-17 overall Supplemental Nutrition Assistance Program (SNAP) caseload to be 5.3% lower than earlier estimates. Embedded in the net decrease is a decrease in the number of SS households receiving SNAP, while the number of Aging and People with Disabilities households receiving SNAP continues to grow. Caseloads in the TANF cash assistance programs are down 11.6% from the spring numbers, at a biennial average of 24,787 families. Overall caseload savings of $37.0 million General Fund are included in the agency's rebalance calculation and used to offset costs in other programs.

While the 2015-17 budget included significant investments in, and changes to, the Employment Related Day Care (ERDC) program, the agency estimates an additional $709,327 General Fund is needed to fully cover costs of collective bargaining for day care providers. This amount includes $600,000 for AFSCME child care providers that was not part of the agency's original rebalance request. The costs are covered with an allocation from the $10.7 million General Fund special purpose appropriation for collective bargaining costs for workers who are not state employees.

Technical adjustments and transfers account for a decrease of $0.5 million total funds for this program, most of which aligns the budget between SS and support functions. This action is consistent with past budgeting practices which have made these budget changes as part of the first rebalance after the budget was approved; similar adjustments are approved in other programs. Two part-time positions are also combined into one full-time position to better meet program needs.

The Subcommittee approved $130,000 General Fund, on a one-time basis, for distribution to the Oregon Food Bank. Through purchase of a refrigerated truck, the funding will support expansion of the Fresh Alliance initiative. This food recovery program picks up donations of perishable food (nearing end of shelf life) from grocery stores and then makes that food available to hunger-relief agencies.

Child Welfare

For Child Welfare (CW), the Subcommittee approved a decrease of $0.5 million General Fund, an increase of $0.3 million Other Funds expenditure limitation, an increase of $1.8 million Federal Funds expenditure limitation, and a decrease of 1 position (no FTE change).

Forecasts for individual caseloads within CW have fluctuated slightly between the spring and fall forecasts, with associated budget changes primarily due to an increase in cost per case. A net increase of $1.9 million General Fund and $4.4 million total funds is identified as being needed to fund caseloads, most of which is attributed to the Well Being program. The rebalance does include savings from a change in the Federal Medical Assistance Percentage (FMAP), decreasing the need for General Fund. Based on the latest federal estimates, the 2015-17 biennial average FMAP rate will increase from 64.21% to 64.37%, which reduces the state contribution and draws down additional federal dollars. This change will also affect other agency programs.

The agency's rebalance proposal included the establishment of a budget mechanism ($19.5 million Other Funds expenditure limitation) to fully convert the General Fund budget for the Supporting, Preserving and Reunifying Families (SPRF) program into Other Funds. To avoid overstating the overall budget for this program, the approved rebalance plan does not include this adjustment. If, closer to the end of the 2015-17 biennium, DHS estimates it will underspend its General Fund budget for SPRF, the agency can request the legislature to approve paying those excess dollars into the SPRF fund (converted into Other Funds).

Technical adjustments and transfers are approved for this program, which generally align the budget between CW and support functions. A position action is included to combine two part-time positions into one full-time position to better meet program needs.

Vocational Rehabilitation

The budget approved by the Subcommittee for Vocational Rehabilitation (VR) reflects increases of $3.3 million General Fund, $8.5 million Federal Funds expenditure limitation, and 8 positions (9.89 FTE).

The fall 2015 forecast projects the 2015-17 VR caseload to be about 1% lower than the spring estimate. Any potential savings associated with fewer clients is masked by higher than projected costs per case, which have grown by 16.3% from the spring 2015 forecast. Higher costs continue to be driven by an increase in the number of clients with cognitive and psychosocial disabilities who have complex needs that are more challenging to meet.

To maintain the program and cover these costs without activating the Order of Selection (priority wait list), the program estimates needing about $7.5 million General Fund, since base federal dollars are capped. However, the rebalance plan uses $8.5 million in one-time federal reallotment dollars to cover these costs for the 2015-17 biennium; these resources would need to be backfilled with General Fund in the 2017-19 budget to sustain program services. Another $1.0 million of the one-time monies would cover costs associated with implementation of the federal Workforce Innovation and Opportunities Act (WIOA).

Technical adjustments and transfers account for an increase of $3.3 million total funds and 11 positions (9.92 FTE); the dollars and the positions are associated with moving work tied to the Governor's Executive Order 15-01 and the Employment First policy package from Intellectual and Developmental Disabilities to VR. This position increase is partially offset by other actions converting part-time positions to full-time.

Aging and People with Disabilities

For the Aging and People with Disabilities (APD) program, the Subcommittee approved budget increases of $33.5 million General Fund, $17.2 million Other Funds expenditure limitation, and $119.3 million Federal Funds expenditure limitation; no position changes were needed. The increases cover all but about $8.7 million General Fund (plus corresponding Federal Funds expenditure limitation) of the agency's current projected budget shortfall associated with caseload costs. As noted previously, it is expected that most of these costs can be addressed via an allocation from the special purpose appropriation to the Emergency Board.

Caseloads in long-term care facilities are slightly above the level funded in the legislatively adopted budget. In-home and community-based facilities' caseloads are essentially flat, while nursing facilities' caseloads are 3.2% higher. Since nursing care is more expensive, that increase is driving a need for $7.0 million General Fund and $23.0 million total funds. A portion of these costs are offset by net savings in nursing facility rates of $1.8 million General Fund ($6.0 million total funds). Rates are anticipated to be lower in the second year of the biennium based on projected bed reduction targets; rates were pegged to those targets under House Bill 2216 (2013).

A key budget driver related to APD caseloads are costs per case associated with in-home care. Labor agreements and actions required by federal regulations are increasing hourly costs, while higher acuity and need levels are influencing service levels (hours per client). For some program services, cost per case has grown by as much as 15% over the spring forecast estimate. The approved rebalance plan covers $13.8 General Fund for overtime pay for home care workers that is being driven by federal labor regulations. Due to wage increases for these same workers, $3,351,396 General Fund is added and is supported by an allocation from the $10.7 million General Fund special purpose appropriation for compensation changes driven by collective bargaining for workers who are not state employees. In the approved rebalance plan, savings in community-based care are used to offset some of the in-home need.

Collective bargaining (rate increases) for adult foster care is behind an increase of $1,241,568 General Fund ($4.2 million total funds); this increase is also covered by an allocation from the special purpose appropriation for non-state worker collective bargaining. After allocations made in both the DHS and OHA budgets as part of Senate Bill 5701, there is $700,147 remaining in that special purpose appropriation. It is anticipated that DHS and OHA will request this funding once outstanding bargaining issues are resolved; actual costs may vary based on outcomes.

APD's rebalance plan also includes $4.0 million General Fund in savings due to the FMAP change noted previously, and another $5.0 million General Fund savings tied to accessing more federal dollars for newly eligible clients.

To meet federal program requirements, the agency needs $16.6 million Other Funds expenditure limitation for waivered case management services. The approved limitation will help separately track program expenditures and receive the allowed higher match rate.

An expenditure limitation of $7.0 million Federal Funds is included in the plan to reflect expenditures allowed under OHA's Designated State Health Program (DSHP) waiver associated with Oregon Project Independence.

Technical adjustments and transfers account for a net decrease of $2.3 million total funds.

Intellectual and Developmental Disabilities

The rebalance changes approved by the Subcommittee for the Intellectual and Developmental Disabilities (IDD) program are increases of $33.2 million General Fund and $112.3 million Federal Funds expenditure limitation; positions were reduced by 11 (9.92 FTE). The increases cover all but about $26.2 million General Fund (plus corresponding Federal Funds expenditure limitation) of the agency's current projected budget shortfall associated with caseload costs. As noted previously, it is expected that most of these costs can be addressed via an allocation from the special purpose appropriation to the Emergency Board.

Both caseloads and cost per case in IDD programs are expected to be higher than the previous forecast, driving an overall increase of $64.6 million General Fund ($210.3 million total funds). Caseload counts, particularly for children, are well over the spring 2015 forecast. This continues to be directly related to the K Plan, as under that state plan option services must be provided to all eligible applicants. Costs per case also continue to grow as they are driven by assessed client needs and no longer subject to any monetary caps.

The approved rebalance plan includes $3.0 million General Fund to restore a reduction action taken during 2015-17 budget development. This amount was offered up by the agency as a reduction during session, but was attributed to the wrong program; if left in place the cut eliminates staff supporting children's programs. Participation rate changes for brokerage case management are driving an increase of $2.1 million General Fund; the Department has a plan to improve participation rates going forward through provider training.

Labor agreements and federal rule changes also drive costs for IDD. Collective bargaining (rate increases) for adult foster care drives an increase of $2,066,520 General Fund ($7.0 million total funds). This change is covered by an allocation from the special purpose appropriation for non-state worker collective bargaining. Another allocation from the same source of $2,133,480 General Fund ($7.0 million total funds) is also approved to pay bargained wage increases for personal support workers. To address overtime rules also affecting personal support workers, $3.2 million General Fund is added; this is part of a $17 million General Fund need (APD and IDD combined) for this issue identified during the 2015 legislative session.

Some savings are available to help partially offset costs. In some parts of the program, Medicaid participation rates have improved and are projected to reduce General Fund spending by $5.6 million. The change in the FMAP rate is anticipated to save $4.6 million General Fund.

Technical adjustments and transfers reduce the IDD budget by $4.6 million General Fund ($6.2 million total funds) and 11 positions (9.92 FTE), most of which is moving the VR portion of the additional Employment First resources approved for 2015-17 from IDD to VR.

Program Design Services

In Program Design Services (PDS), the Subcommittee approved a decrease of $0.2 million General Fund, an increase of $7.6 million Other Funds expenditure limitation, an increase of $40.9 million Federal Funds expenditure limitation, and an increase of 32 positions (13.70 FTE). These adjustments include some small technical adjustments, but the changes mostly consist of budget increases needed to cover the next phase of the agency's Integrated Eligibility (IE) information technology project.

In House Bill 5026 (2015), DHS received $750,000 General Fund ($7.5 million total funds) for planning to improve eligibility determination systems for non-MAGI (Modified Adjusted Gross Income) Medicaid programs. These programs primarily serve clients in the APD and IDD programs. However, after planning work and a changing information technology landscape due to implementation of OHA's OregonONEligbility (ONE) system, the project approved by the Subcommittee will enhance ONE to support eligibility determinations for the non-MAGI Medicaid programs, plus the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Employment Related Day Care (ERDC) programs.

The additional project funding in Senate Bill 5701 is $47.9 million total funds. When coupled with the previously authorized planning money, the overall 2015-17 project budget represents about 43% of the overall estimated project cost of $130 million total funds. Based on current federal match estimates, about 85% of project costs will be covered by federal dollars. In House Bill 5202, the Joint Ways and Means Subcommittee on Capital Construction approved $7.5 million in proceeds from Article XI-Q Bonds to cover the state share of the project for the current biennium. DHS estimates that the project will take 33 months to execute, with completion targeted for the end of 2018. The 2017-19 state share of the project is estimated at about $15 million and includes debt service on the 2015-17 bonds. The staffing component of the project is 35 limited duration positions (15.83 FTE), primarily consisting of project managers and operations/policy analysts. These resources would supplement permanent employees (information technology, fiscal, policy, management) that are located in both DHS and OHA; some of these resources had been previously approved for work on other system improvement initiatives and the ONE project.

Both the Joint Committee on Ways and Means Subcommittee on Human Services and the Joint Legislative Committee on Information Management and Technology (JLCIMT) reviewed the project. The JLCIMT recommended incremental, conditional approval of the request and set out several action items, in its recommendation to the Joint Committee on Ways and Means, which were adopted. The Subcommittee approved the project with the understanding that the funding will be unscheduled until the Legislative Fiscal Office and the Chief Financial Office of the Department of Administrative Services approve rescheduling; agency compliance with the JLCIMT recommendations will be key to making expenditure limitation available. Depending on project progress and timing, the Department may be asked to report during the interim to the Emergency Board and/or JLCIMT.

Central Services

The budget adjustments, associated with technical change and transfers, included in Senate Bill 5701 for Central Services, are net decreases of $0.3 million total funds and one position (1.00 FTE).

Shared Services

The Subcommittee approved a net decrease of $0.8 Other Funds expenditure limitation and 10 positions (5.44 FTE) for Shared Services. Included in this adjustment is the transfer of 11 positions (7.37 FTE) from the Provider Audit Unit within the Office of Payment Accuracy and Recovery

into OHA Central Services. This change is consistent with guidance from the federal Centers for Medicare and Medicaid Services regarding this unit's responsibility for auditing Medicaid providers.

Statewide Assessments and Enterprise-wide Costs

The budget adjustments approved by the Subcommittee include technical adjustments and transfers accounting for an increase of $5.6 million General Fund ($9.1 million total funds), primarily to align the assessment budget with 2015-17 policy package changes in program budget structures. There is also an adjustment to align with positions being moved to OHA from DHS Shared Services.

The approved rebalance plan includes $118,318 General Fund ($277,566 total funds) to cover Treasury fees. Due to an oversight during 2015-17 budget development, this line item, which is driven by the cost of banking services, was not adequately funded in the base budget. Also accounted for is an adjustment to capture and spend lease revenue, which reduces the need for both General and Federal Funds resources. To match up with the APD budget, $2.5 million Other Funds expenditure limitation is added to support the budget mechanism for recording waivered case management expenditures.

The agency's 2015-17 budget includes $839,543 General Fund for debt service associated with the Central Abuse Management (formerly known as the Statewide Adult Abuse Data and Report-Writing System) and assumes a bond sale early in the biennium. Current project timing indicates the sale will not need to occur until spring 2017. Based on that timeframe, the debt service is eliminated because it is not needed; this savings amount is not included as a resource within the DHS rebalance plan.

JUDICIAL BRANCH

Commission on Judicial Fitness and Disability

The Subcommittee increased the General Fund appropriation for extraordinary expenses by $172,000, equivalent to a 74.8% increase over the level of General Fund in the Commission's 2015-17 legislatively adopted budget. The funds were appropriated to pay the Commission's costs incurred from the investigation and prosecution of two charges of judicial misconduct. The action increases the General Fund appropriation for extraordinary expenses to $189,753. The revised funding level covers the costs-to-date identified by the Commission, and provides an additional amount of approximately $20,000 for projected Commission costs associated with the Supreme Court review of the cases. The agency will need to request additional funding later in the biennium, if the costs of completing the two current cases exceed projection, or if the Commission approves any additional cases for formal investigation. If the full appropriation is not needed, any remaining funds will be available to cover extraordinary expenses in the 2017-19 biennium. The General Fund increase was approved on a one-time basis and will be phased out in the development of the agency's 2017-19 budget.

Judicial Department

The Subcommittee approved increases in total Judicial Department expenditures of $17,454,547. The expenditure changes include a General Fund increase of $8,389,259. Budget adjustments include employee compensation adjustments plus the specific items identified below.

The Subcommittee increased the General Fund appropriation for judicial compensation by $630,000 for the 2015-17 biennium cost of providing a $5,000 per year salary increase to all statutory judges, beginning on January 1, 2017. The salary increase is enacted by Senate Bill 1597, the 2016 session program change bill. The fiscal impact of the salary increase will increase to $2,520,000 General Fund beginning with the 2017-19 biennium, when it will be in effect for the full biennium.

A $200,000 General Fund increase was approved for the Oregon State Bar Legal Assistance Program (Legal Aid) for legal assistance in housing-related issues. As is the practice with unrestricted General Fund appropriations for Legal Aid, this supplemental funding is approved on a one-time basis and will be phased out in the development of the 2017-19 budget. The General Fund appropriation increases combined total 2015-17 biennium state support for Legal Aid, from both Other Funds (court filing fees) and General Fund sources, to $12,700,000.

The Subcommittee increased the Other Funds expenditure limitation for the State Court Technology Fund (SCTF) by $5,330,000 for costs of maintaining and supporting state court electronic systems and providing electronic service and filing services. The expenditure limitation increase largely reflects a higher rate of electronic filing of court documents than was anticipated when the Chief Justice's recommended budget was developed. The Department uses SCTF moneys to pay electronic filing charges and does not charge participating parties who file the documents. The SCTF is projected, following this authorization and the mid-biennium transfer of legacy technology fee revenues to the SCTF as required by Senate Bill 1597, to have a 2015-17 biennium ending balance exceeding $860,000. SCTF resources are not, however, projected to cover costs in subsequent biennia without action to either increase SCTF revenues or reduce ongoing operating costs.

A $2,800,000 Other Funds expenditure limitation increase was approved for the planning and design of a new Lane County Courthouse facility through the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF). This expenditure limitation amount allows for expenditures of up to $1.4 million of Article XI-Q bond proceeds and of up to $1.4 million of required county matching funds for the Lane County Courthouse project. Project bonds are authorized in House Bill 5202. The approved bond authority is in addition to the bond proceeds that were previously authorized for the 2015-17 biennium: $17.4 million for the Multnomah County Central Courthouse project, $2.5 million for the Jefferson County Courthouse project, and $7,875,000 for the Tillamook County Courthouse project. Debt service costs for the Article XI-Q bonds authorized for the Lane County Courthouse project are projected to total approximately $233,000 General Fund per biennium, beginning in the 2017-19 biennium. Because the bonds will not be issued until the spring of 2017, there will not be debt service payments due in the current biennium.

The approval of Article XI-Q bonds for planning and design of the Lane County Courthouse does not create or imply any commitment to provide state funds for the construction of the facility. The Subcommittee also increased the Judicial Department operations Other Funds expenditure limitation by $45,000 for the cost of issuance of Article XI-Q bonds for planning and design of the Lane County Courthouse facility.

The Subcommittee approved the following budget note concerning courthouse funding through the Oregon Courthouse Capital Construction and Improvement Fund:

Budget Note:
The Chief Justice or his designee is requested to present a report to the Emergency Board, no later than December 2016, with a priority ranking and the projected costs of courthouse capital construction projects for which he may, within the next twelve years, request state funding support from the Oregon Courthouse Capital Construction and Improvement Fund. The report shall include recommendations for stabilizing biennial funding request amounts over the ten-year period beginning with the 2019-21 biennium.

Public Defense Services Commission
The Subcommittee increased the General Fund appropriation for the Contract and Business Services Division by $18,834. The appropriation funds payment of a Secretary of State service charge that was omitted from the agency budget in error.

LEGISLATIVE BRANCH

The Subcommittee approved a net-zero General Fund rebalance. The adjustments include reductions to agency budgets to account for higher than anticipated reversions from the 2013-15 biennium, a $180,000 increase for chamber improvements, and an increase of $6.7 million in Legislative Administration for facilities projects. Unused bond proceeds of $2.4 million are used to pay debt service in lieu of General Fund. The facilities projects will be the beginning of a $50 million Capitol project that will make improvements to the mechanical, electrical, and plumbing systems; address security and life safety issues; and increase accessibility for people with disabilities. It is expected to take three years for all of the improvements to be completed. House Bill 5202 includes $30 million in Article XI-Q bonds to continue the project into the 2017-19 biennium. The expenditure limitation for those bond proceeds are included in House Bill 5203, which is the bill for all capital construction limitations. The Subcommittee approved an Other Funds expenditure limitation of $460,000 for the cost of issuance for the bonds. There is no debt service in the current biennium.

The Subcommittee also approved two new Other Funds expenditure limitations related to the Oregon Capitol Foundation. The Foundation is now a separate entity from the Legislative Administration Committee. The limitations include $300,000 for the History Gateway and $25,000 for expenses related to operations for the Foundation.

NATURAL RESOURCES

Department of Agriculture
The Subcommittee established a Federal Funds expenditure limitation of $175,000 in the Administrative and Support Services program area to accommodate the awarding of a federal grant to be used for wolf depredation compensation claims, and for nonlethal preventative techniques.

The Subcommittee also increased Federal Funds expenditure limitation by $1,700,000 and made a one-time $539,338 General Fund appropriation as state match to pay for eradication efforts related to the Asian Gypsy Moth, a non-native invasive species, which was found in northwest Portland. The majority of the eradication project would occur during May and June of this year. On January 14, 2016, the U.S. Department of

Agriculture (USDA) notified the Department that $1.7 million in federal funding would be made available for the eradication project. In the past, USDA has provided only 50% of eradication funding.

The Subcommittee also acknowledged that the Department anticipates increasing the wholesale seed dealer license from $500 to $750 in May 2016, and increasing the veterinary product registration fee from $75 to $100 in June 2016. The Other Funds revenues from these increases will be used, in part, to fund program compensation increases.

Columbia River Gorge Commission

The Subcommittee increased the General Fund appropriation made to the Columbia River Gorge Commission by $11,308 to match the amount provided to the Commission by the State of Washington for the 2015-17 biennium for operational costs. Included in the $11,308 increase is $6,000 for costs related to a once every five year audit; this amount is considered to be one-time and is not to be included in the base budget for 2017-19 budget development. The Subcommittee also eliminated the Commission's $5,000 Other Funds expenditure limitation provided in the adopted Oregon budget since any non-General Fund revenues received by the Commission are expended through the Washington budget.

Department of Environmental Quality

The Subcommittee approved a one-time $100,000 General Fund appropriation for sampling, testing, and monitoring Harmful Algae Blooms. Of the total, $30,000 will be used to purchase testing equipment so that samples do not need to be sent out of state for processing.

The Subcommittee also approved $230,000 General Fund, on a one-time basis, to provide information for the 2017 legislative session on how a market-based carbon reduction system would work in Oregon. The money would be used to hire a full-time limited duration Operations and Policy Analyst 4 position (0.58 FTE). In addition, $50,000 is to cover costs for an economic consultant to assist with research data and analysis. The DEQ work is to include:

(1) Identify the type, scope, and design of the greenhouse gas emissions cap necessary to link with other jurisdictions and meet the state's greenhouse gas emissions reduction goals.

(2) Assess how a market-based program would interact with existing programs, such as the Renewable Portfolio Standard, the Clean Power Plan, and the Clean Fuels program, and achieve the state's greenhouse gas emissions reduction goals.

(3) Study and evaluate how existing market-based programs in other jurisdictions control leakage and how those methods might be adapted to align with Oregon's economy and business sectors.

(4) Study and evaluate how existing market-based programs address potential impacts and benefits to disadvantaged populations and rural communities and how those methods might be adopted to Oregon.

The Subcommittee approved a $2,500,000 General Fund appropriation to expand the Department's current Oregon Air Toxics Program. This will allow the immediate focus of increased air toxics monitoring efforts on cadmium, arsenic, and chromium hotspots in Portland, as well as, expand air toxics monitoring across the state. In addition, the increased funding will allow DEQ to develop a risk-based approach to air permitting for industrial sources through rulemaking. Over time this will allow DEQ to modify existing air permits to be risk-based. The air toxics monitoring funded through this appropriation uses moss collection and analysis to map pollution levels in Portland communities and develop maps of hot spots. This funding will allow the Department to purchase and set up two additional full air toxics monitoring stations that can be directed at areas with high levels of air toxics that are identified. A Natural Resources Specialist 3 position, three Natural Resources Specialist 2 positions, a

Chemist 2 position, and a Chemist 3 position are added as permanent positions for the monitoring and analysis work. DEQ will also use the funding to develop, through rulemaking, an Oregon specific air toxics program that ensures industrial hot spots are sufficiently controlled. During this process, discussions with local governments about their potential roles and involvement, either formally or informally, may occur. To work on this part of the program, six permanent positions were added (Principal Executive Manager E, Program Analyst 3, Natural Resources Specialist 4, Natural Resources Specialist 3, Operations and Policy Analyst 1, and Public Affairs Specialist 2). In all, 12 permanent positions (7.00 FTE) were added, with total Personal Services costs of $1,266,789, Services and Supplies costs, including Professional Services, of $883,211 and $350,000 in Capital Outlay for monitoring equipment. This program is estimated to have a 2017-19 roll-up cost of $3,626,239 General Fund.

Department of Fish and Wildlife

The Subcommittee approved a one-time increase of $180,000 Other Funds expenditure limitation to continue two limited-duration Natural Resource Specialist 2 positions authorized for one year in Senate Bill 5544 (2015). These two positions work with landowners to improve and protect sage grouse habitat.

Department of Forestry

The Subcommittee approved an increase of $23,115,122 in the General Fund appropriation made to the Department of Forestry, Fire Protection Division for the payment of emergency firefighting costs associated with the 2015 forest fire season. This amount is dedicated to the following specific uses:

- Unbudgeted emergency fire costs ($19,558,783)
- Fire protection district deductibles ($677,886)
- Training provided to Oregon National Guard troops ($500,000)
- Oregon State Treasury loan interest ($323,630)
- Severity resources ($2,054,823)

The portion of the General Fund appropriation to the Department of Forestry included above for severity resources is offset by a reduction of the same amount in the special purpose appropriation that had been established for this purpose. In addition, Other Funds expenditure limitation is increased by $56,334,408, which includes $55,172,387 for unbudgeted emergency fire costs and $1,162,021 for fire protection district deductibles.

The Subcommittee approved a decrease in the General Fund appropriation of $238,581 and a decrease in the Other Funds expenditure limitation of $726,392 made to the Oregon Department of Forestry for the payment of debt service. These amounts were originally included in the agency's budget for the payment of debt service obligations on bonds that were anticipated to be issued at the end of the 2013-15 biennium, but were not. This is a technical adjustment to remove the excess General Fund and Other Funds expenditure limitation from the agency's budget. An increase of $45,000 Other Funds expenditure limitation was approved for the payment of bond issuance costs related to Article XI-Q General Obligation bonds to replace an equipment warehouse for the East Lane Fire Protection District.

The Subcommittee approved a General Fund appropriation of $704,286 and an increase in the Other Funds limitation of $813,594 for the implementation of a procurement and payment system replacement. The new system is intended to be an end-to-end solution for the agency, replacing its current ad-hoc system of manual and semi-automated information systems and processes. The funding includes the establishment of

four, 15-month, limited-duration positions (Project Manager 3, Information Systems Specialist 6, Accountant 1, and Procurement and Contract Specialist 3). The Subcommittee approved the project with the understanding that the funding will be unscheduled until the Legislative Fiscal Office (LFO) and the Chief Financial Office of the Department of Administrative Services approve rescheduling and that the agency comply with recommendations made by the Joint Legislative Committee on Information Management Technology (JLCIMT).

Recommendations include direction that the agency proceeds through the standard Stage Gate 3 process, including updated business case and other foundational documents. The agency will ensure that the independent quality management services contractor conducts an updated risk assessment and perform quality control reviews on the documents noted above. The agency will report back to JLCIMT or Emergency Board on project status in September 2016.

Department of Land Conservation and Development

The Subcommittee approved an increase in the Other Funds expenditure limitation of $216,000 to allow the agency to expend sub-grant funding received from the Oregon Office of Emergency Management made available through the Federal Emergency Management Agency. These funds will be used to aid in the development of local pre-disaster mitigation plans of local governments, including the cities of Albany, Medford, and Beaverton, Tillamook County, and cities within Tillamook County. A portion of this amount will be used to establish a limited duration Planner 2 position for 16 months (0.67 FTE).

Department of State Lands

In the fall of 2015, sump pumps and the associated drainage pipe failed at the Department of State Lands' headquarters building in Salem. The Department made emergency, stop-gap repairs. The Subcommittee approved a one-time $85,919 increase to the Capital Improvement Other Funds expenditure limitation for the repairs to date. Additional permanent repairs will be needed next summer; the Department will seek another expenditure limitation increase at an Emergency Board meeting.

The Department was awarded a U.S. Environmental Protection Agency grant for Wetland Program Development in the amount of $347,502. During the 2015 legislative session, $133,000 in one-time Federal Funds expenditure limitation was approved and unscheduled for this grant, pending retroactive approval to apply for the grant. This amount was intended to provide sufficient expenditure limitation for work through March, 2016. The Subcommittee approved the additional $214,502 in one-time Federal Funds expenditure limitation to enable the Department to complete the work.

A reduction in Attorney General charges to reflect reduced rates in the legislatively adopted budget was inadvertently made to the Capital Improvement limitation and should have been made to the Common School Fund limitation. Other Funds expenditure limitation is decreased by $176,890 for the Common School Fund and an increase of the same amount is made to Capital Improvements.

Water Resources Department

The Subcommittee approved an increase in General Fund of $705,288 to facilitate a groundwater study for the greater Harney Valley in coordination with the U.S. Geological Survey. The funding will support the establishment of a permanent Natural Resource Specialist position ($130,288), one-time funding of $400,000 for the drilling and construction of ten observation wells for data collection, and one-time funding of $175,000 for the cost-sharing provisions of the groundwater study.

Oregon Watershed Enhancement Board

The Subcommittee increased the Measure 76 Lottery Funds expenditure limitation for operations by $40,123 to pay the costs of reclassifying the Administrative Manager position from an Administrative Specialist 2 to a Principal Executive Manager A and reclassifying the Capacity Coordinator from an Operations Policy Analyst 3 to an Operations Policy Analyst 4. The reclassifications are due to increased duties that resulted from an agency reorganization. These reclassifications were reviewed and supported by Department of Administrative Services Human Resources. In addition, Measure 76 Lottery Funds expenditure limitation was increased by $17,329 to correct an error that omitted capital mall security assessments in the legislatively adopted budget for 2015-17.

PUBLIC SAFETY

Department of Corrections

The October, 2015 male prison population forecast was as much as 200 beds higher than the April 2015 forecast, which was the basis for the 2015-17 budget. In response to the higher forecast, the Subcommittee approved $2,558,694 General Fund and 6 new correctional officer positions (4.46 FTE) to shift the 787 Deer Ridge Correctional Institution minimum security inmates to the medium security facility, which will be operated as minimum housing. Of this amount, $1,821,701 is a one-time expense. As the additional recently-forecasted inmates enter the system, there will be other housing units within the facility available to accommodate them. The additional costs for 200 more beds for the rest of the biennium is about $6.9 million.

A special purpose appropriation to the Emergency Board in the amount of $3 million can fund part of the remaining need. There will be two more forecasts before the end of the biennium, April and October 2016. Whatever unfunded amount remains can be considered as part of the Department's agency-wide budget rebalance that typically occurs during the long legislative session as part of the current biennium final statewide budget reconciliation.

In response to an investigation of housing and treatment conditions for seriously mentally ill inmates by the federal protection and advocacy entity, Disability Rights Oregon, the Department requested $8.2 million General Fund for architectural and staffing changes. The Subcommittee approved $3,139,557 General Fund for construction and staffing that will provide the identified inmates more out-of-cell time and increased mental health therapy and counseling. The direct appropriation includes $1,031,676 for permanent staff, including 4 registered nurses and a project manager (3.33 FTE); reclassification of a corporal to a sergeant; and associated services and supplies. The remaining $2,107,881 General Fund is for one-time construction expenses for a modular building for treatment and office space on the Oregon State Penitentiary grounds and for changes inside the mental health unit of the penitentiary.

In addition, a special purpose appropriation to the Emergency Board in the amount of $2 million will be available for the Department to request as they need additional staff. Any unfunded balance can be considered as part of the Department's agency-wide budget rebalance that typically occurs during the long legislative session as part of the current biennium final statewide budget reconciliation.

The Subcommittee approved redirecting unused Junction City Correctional Institution bond funding and unneeded cost of issuance funds for various Department of Corrections bond sales to Other Funds debt service. The total Other Funds limitation is $2,094,636.

Pilot project General Fund that was intended to be one-time is phased out from the Offender Management and Rehabilitation unit within the Department. The reduction is $1,009,135.

Criminal Justice Commission

The Criminal Justice Commission was awarded $370,000 in one-time grant funding from the U.S. Department of Justice, Office of Justice Programs and Bureau of Justice Assistance for technical assistance financing in support of Oregon's Justice Reinvestment implementation. The funds were made available to Oregon by a pass-through agreement with the Vera Institute of Justice, a private nonprofit research center for justice policy and practice. The funding was included in the agency's 2015-17 Federal Funds expenditure limitation, but because the Vera Institute is not a federal agency, the funding should have been included as Other Funds expenditure limitation. This technical adjustment increases Other Funds and decreases Federal Funds expenditure limitations by $370,000.

Oregon Department of Justice

The Subcommittee approved an increase of $254,493 Other Funds expenditure limitation for the Department of Justice (DOJ) Criminal Justice Division and the authorization of two limited duration positions (1.08 FTE) for the Fusion Center. Funding for the positions would come from two separate federal grants received by the Oregon Military Department Office of Emergency Management (State Homeland Security Program for $121,334 and the Urban Area Security Initiative for $133,159). The grants are one-time in nature and require no state matching funds.

The Subcommittee approved an increase of $129,405 Other Funds expenditure limitation for the DOJ Criminal Justice Division and the authorization of one limited duration position (0.25 FTE) for a traffic safety resource prosecutor with an emphasis on marijuana. The position is funded for six months beginning in April of 2016. The source of the grant is the U.S. Department of Transportation National Highway Traffic Safety Administration received by the Oregon Department of Transportation.

The Subcommittee approved an increase of $184,714 Other Funds expenditure limitation for the DOJ General Counsel Division and the authorization of one permanent full-time position (0.63 FTE) for a marijuana civil legal services attorney. The revenue source to support the attorney is the legal services rate billed to state agencies. The 2017-19 biennial cost of the position is $316,891.

An increase of $12,613,368 Federal Funds expenditure limitation for the DOJ Crime Victims Services Division, as well as the authorization of two limited duration positions (1.42 FTE) for an increase in Victim of Crime Act (VOCA) assistance funding was approved. The grant increase will add one-time funding to existing direct service/non-profit providers, district attorney prosecutor-based victim assistance programs, child assessment centers, and other system investments. These are formula grants that require no state matching funds; however, a federal requirement does require sub-grantees to provide 20% matching funds. According to the Department, for this request, no additional state funds will be required to help sub-grantees meet their matching funds requirement.

The Subcommittee approved $676,971 General Fund for the establishment of an elder abuse program in the Criminal Justice Division. The program will be staffed by one permanent full-time Senior Assistant Attorney General (Elder Abuse Resource Prosecutor) (0.63 FTE) and two

Criminal Investigator positions (1.25 FTE). The positions will assist local law enforcement with elder abuse cases, as well as provide statewide outreach and training. Personal services costs for the positions total $457,573 and services and supplies costs total $219,398. The 2017-19 biennial cost of the program is estimated to be $1.2 million General Fund.

A change in the preliminary schedule for the DOJ Child Support Division's Child Support Enforcement Automated System (CSEAS) information technology project, which was completed after the close of the 2015 session, has increased the total cost of ownership and impacted the project's 2015-17 legislatively adopted budget, resulting in a shortfall of bonding authority, expenditure limitation(s), and cash liquidity.

The original feasibility study for the CSEAS project estimated total development costs at $92.7 million and recurring costs after development of $23.6 million for a total cost of ownership (TCO) of $116.3 million (through fiscal year 2026). The rebaselined TCO is now estimated at $122.7 million, which includes $12 million in ongoing operations and maintenance costs. The Subcommittee approved $3,086,760 of Other Funds expenditure limitation for project costs, which is to be financed with Article XI-Q bonds approved in House Bill 5202, and the establishment of 10 permanent part-time positions (1.31 FTE). Four reclassifications of existing permanent full-time positons was also approved.

Unless otherwise approved by the Legislature or the Emergency Board, the positions budgeted for the project are established as permanent fulltime positions under the following conditions: (a) the positions will be abolished on or before the completion of the project; (b) the positions are to remain in the CSEAS program (i.e., CSEAS summary cross reference) and may not be transferred to any other program or used for any other purpose than the development of the CSEAS project; and (c) the positions may not be included in any permanent finance plan action.

The Subcommittee appropriated $1,161,194 in additional General Fund Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in House Bill 5202. Other Funds expenditure limitation of $123,240 is included for the cost of issuance of the bonds. The Subcommittee approved $34,683 General Fund for repayment of interest costs for a short-term Treasury loan. The Department of Administrative Services was directed to unschedule $3,086,760 Other Funds expenditure limitation (Article XI-Q bond project proceeds) and to schedule $3,632,932 Other Funds and $6,864,723 Federal Funds for the second quarter of calendar year 2016.

In absence of a comprehensive, integrated, and rebaselined master schedule, which is necessary to determine the project budget, and final Stage Gate 3 approval, the Subcommittee recommended a conservative, controlled release funding approach for the project. The recommendation provides full project funding through June 30, 2016, at which point the agency will need to request additional expenditure limitation from the Emergency Board. This recommendation will allow the agency to initially proceed to Stage Gate 3; however, the project should not operate for an extended period of time until "Stage Gate 3" review is officially completed and full endorsement granted. The Subcommittee adopted the Joint Legislative Committee on Information Management and Technology recommendations for the project.

The Subcommittee also approved the following budget note:

Budget Note:

The Department of Justice is to report at each meeting of the Emergency Board and the Interim Joint Committee on Information Management and Technology at each interim meeting with detailed project status reports (performance against plan) on the Child Support Enforcement Automated System (CSEAS). As part of the agency's report for the Emergency Board meeting in May of 2016, the agency is

to: (a) justify why an advisory steering committee is an appropriate form of governance; (b) provide a detailed cost-benefit analysis of the decision to use a private vendor vs. Department of Administrative Services State Data Center; (c) provide a justification for the indirect agency administrative charges to the CSEAS project, which may need to be repurposed and used for a general project contingency fund; and (d) report on improvements to quality assurance and agency status reporting.

Oregon Military Department

The Other Funds expenditure limitation for the Community Support program was increased, on a one-time basis, by $2,442,000 for the reimbursement of firefighting expenditures incurred during the 2015 fire season.

The 2015-17 legislatively adopted budget inadvertently made a General Fund reduction to services and supplies that should have been applied to personal services. The reduction is $57,929 within the Administration division. Moving it to the right budget category will enable the agency to correctly build the 2017-19 budget.

The Subcommittee approved $80,000 Other Funds expenditure limitation for the purpose of paying cost of issuance expenses associated with Article XI-Q bond authority approved for rehabilitating facilities at the Umatilla Depot site to prepare it for use as a Regional Training Center. The Umatilla site will replace the facility currently used on the Western Oregon University campus.

Department of Public Safety Standards and Training

The Subcommittee approved an increase in Other Funds expenditure limitation of $959,000 and the addition of three limited-duration positions (1.74 FTE) to support programs and activities in the Department of Public Safety Standards and Training's (DPSST) Center for Policing Excellence, funded by an Edward Byrne Memorial Justice Assistance Grant through the Criminal Justice Commission.

The agency's Federal Funds expenditure limitation was increased by $2,497,563. This net-zero technical correction changes a revenue-only transfer between DPSST and the Department of Justice to a pass-through expenditure, a budgetary change required in order to ensure full reimbursement of costs related to the federal High Intensity Drug Trafficking Area program operated by the state Department of Justice.

The Subcommittee increased the agency's Other Funds expenditure limitation by $2,790,195, and authorized twelve permanent positions (8.00 FTE) to add four basic police and two basic corrections classes to the agency's training calendar to meet demand during the 2015-17 biennium.

Oregon State Police

The Subcommittee increased the agency's General Fund appropriation by $1,320,216 and increased its Other Funds expenditure limitation by $6,911,613 for Federal Emergency Management Agency-reimbursable expenses incurred during numerous mobilizations coordinated by the State Fire Marshal during the 2015 fire season in Oregon.

The Subcommittee increased the agency's General Fund appropriation by $1,000,000 and authorized 12 positions (6.63 FTE) to increase staff capacity and reduce wait times and backlogs in the Firearm Instant Check System program.

TRANSPORTATION

Department of Aviation

The Subcommittee approved an increase of $265,000 in Other Funds expenditure limitation for the Operations Division to purchase grant management software to implement and manage the agency's grant-making program established by House Bill 2075 (2015).

Department of Transportation

The Subcommittee increased the agency's Other Funds expenditure limitation by $6,231,467 to fund road repairs and clean-up expenses at seventeen sites across the state where wildfires damaged and forced the closure of roadways during the 2015 fire season. Other Funds expenditure limitation was increased in the Local Government program by $2,000,000 toward reconstruction of the Juntura Cut-Off Road in Harney County, and by $51,804 for cost of issuing the Lottery Bonds to finance the project.

A net-zero technical adjustment of $1,354,734 was approved to move cost of issuance expenditure limitation for debt associated with highway safety improvements, the Coos Bay Rail Link, and ConnectOregon VI into the correct program budgets. A second net-zero technical adjustment of $138,433 was approved to move legislatively-approved state government service charge reductions into the correct program budgets for the 2015-17 biennium.

The Subcommittee reduced the General Fund appropriation for debt service to the Department of Transportation by $5,194,781. A bond sale anticipated for May, 2015 was postponed until May, 2016, reducing the debt service required in the 2015-17 biennium. General Fund was also reduced by $47,835 to reflect the completion of the Driver and Motor Vehicles' veteran information sharing project with the Department of Veterans' Affairs.

Legislative Fiscal Office

900 Court St. NE, H-178
Salem OR 97301
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Oregon Legislative Emergency Board

Sen. Peter Courtney, Senate Co-Chair
Rep. Tina Kotek, House Co-Chair

Certificate

May 25, 2016

Pursuant to the provisions of ORS 291.328, and acting under the authority of ORS 8.105; ORS 291.326(1)(a), (b), (c), and (d); ORS 276.390; ORS 291.371; and ORS 291.375; this hereby certifies that the Emergency Board, meeting on May 25, 2016, took the following actions:

1. **Commission on Judicial Fitness and Disability**
   Acknowledged receipt of a report on compensation plan changes.

2. **Public Defense Services Commission**
   Deferred consideration of a request to fund salary increases.

3. **Department of Education**
   Acknowledged receipt of a report on the implementation of the mixed delivery preschool program.

4. **Department of Education**
   Approved the submission of a federal grant application to the U.S. Department of Health and Human Services in an amount of up to $75,000 for a Child Care and Development Block Grant Implementation Research and Evaluation Planning Grant.

6. **Department of Education**
   Allocated $273,062 from the Emergency Fund established by section 1, chapter 837, Oregon Laws 2015 to supplement the appropriation made to the Department of Education by section 1(1), chapter 759, Oregon Laws 2015, Operations, for grants to school districts to improve Internet connectivity and access, with the understanding the Department of Administrative Services will unschedule that amount until school districts and the Department of Education have been notified of the approval of the federal funding.

7. **Higher Education Coordinating Commission**
   Acknowledged receipt of a report on 2016-17 proposed increases to resident undergraduate tuition and mandatory fees at public universities.

8. **Higher Education Coordinating Commission**
   Acknowledged receipt of a report relating to the distribution of funding for Community College academic counselors.

9. **Department of Human Services**
Approved the submission of a federal grant application to the U.S. Department of Health and Human Services in the amount of $206,000 per year for two years to enhance adult protective services.

10. **Department of Human Services**
Approved the submission of a federal grant application to the U.S. Department of Health and Human Services in the amount of $200,000 per year for two years to enhance the state's system for providing information on and access to long term services and supports.

11. **Department of Human Services**
Acknowledged receipt of a report from the Department of Human Services on program sustainability options and actions.

12. **Oregon Health Authority**
Acknowledged receipt of a report on the Oregon Health Plan 1115 waiver renewal for 2017-22.

13. **Oregon Health Authority**
Acknowledged receipt of a report on recommendations regarding the Medicaid Management Information System and related systems and interfaces.

14. **Oregon Health Authority**
Approved, retroactively, the submission of a supplemental federal grant application to the Centers for Disease Control and Prevention in the amount of up to $2.7 million for one year beginning August 1, 2016 for the Epidemiology and Laboratory Capacity Program grant to combat antibiotic-resistant organisms and diseases as well as the Zika virus.

15. **Oregon Health Authority**
Approved, retroactively, the submission of a federal grant application to the Centers for Disease Control and Prevention in the amount of up to $250,000 a year for two years beginning September 1, 2016 for the Models for Collaboration for State Chronic Disease and Oral Health Programs grant to develop chronic disease prevention projects that integrate activities from both chronic disease and oral health programs.

16. **Oregon Health Authority**
Approved the submission of a federal grant application to the Centers for Disease Control and Prevention in the amount of up to $3.5 million a year for five years beginning January 1, 2017 for the Emerging Infections Program grant to help monitor and prevent foodborne diseases, invasive bacterial infections, influenza, pertussis, human papillomavirus virus (HPV) disease, and healthcare-associated infections.

17. **Oregon Health Authority**
Approved the submission of the following three related federal grant applications by the Oregon Health Authority to the Substance Abuse and Mental Health Services Administration: 1) the Strategic Prevention Framework for Prescription Drugs grant in

the amount of $373,616 a year for five years beginning January 1, 2017 to support and complement existing infrastructure building work partnering with coordinated care organizations to deliver provider and patient education to prevent prescription drug misuse; 2) the Grant to Prevent Prescription Drug/Opioid Overdose-Related Deaths in the amount of $1 million a year for five years beginning January 1, 2017 to reduce the number of prescription drug/opioid overdose-related deaths and adverse events by training first responders and other key community sectors in prevention strategies, including the purchase and distribution of naloxone; and 3) the Targeted Capacity Expansion: Medication Assisted Treatment-Prescription Drug and Opioid Addiction grants cooperative agreement in the amount of $1 million a year for five years beginning January 1, 2017 to expand and enhance access to integrated medication assisted treatment (e.g. buprenorphine, methadone, naltrexone) for individuals with opioid use disorder.

18. Board of Nursing

Increased the Other Funds expenditure limitation established for the Board of Nursing by section 1, chapter 439, Oregon Laws 2015, by $244,452 and authorized the establishment of two full-time permanent positions (1.58 FTE) for personnel reclassifications and increased workload requirements.

19. Department of Justice

Acknowledged receipt of a report on the Child Support Enforcement Automated System information technology project, with instructions, and directed the agency to report to the Emergency Board in September of 2016.

20. Department of Justice

Increased the Federal Funds expenditure limitation established for the Department of Justice by section 13, chapter 837, Oregon Laws 2015, by $2,538,107 for supplemental funding for the Child Support Enforcement Automated System information technology project, with the understanding that the Department of Administrative Services will unschedule the limitation increase and will only re-schedule upon the joint approval of the Office of State Chief Information Officer, Chief Financial Officer, and Legislative Fiscal Office.

21. Department of Public Safety Standards and Training

Increased the Other Funds expenditure limitation established for the Department of Public Safety Standards and Training by section 2, chapter 658, Oregon Laws 2015, by $337,000 for crisis intervention training for first responders.

22. Department of Public Safety Standards and Training

Increased the Other Funds expenditure limitation established for the Department of Public Safety Standards and Training by section 2, chapter 658, Oregon Laws 2015, by $100,000 for additional training for 911 telecommunicators.

23. Military Department

Increased the Other Funds expenditure limitation established for the Military Department by section 2(4), chapter 594, Oregon Laws 2015, Community support, by $256,000 and increased the Federal Funds expenditure limitation established for the

Military Department by section 3(3), chapter 594, Oregon Laws 2015, Community support, by $518,000 for supplemental funding for the Oregon Youth Challenge Program.

24. Military Department

Increased the Federal Funds expenditure limitation established for the Military Department by section 3(3), chapter 594, Oregon Laws 2015, Community support, by $270,000 for supplemental federal funds received for the STARBASE Program.

25. Military Department

Allocated $170,000 from the Emergency Fund established by section 1, chapter 837, Oregon Laws 2015 to supplement the appropriation made to the Military Department by section 1(2), chapter 594, Oregon Laws 2015, Operations, for roof repairs at the Forest Grove and Kliever armories, and directed the Department to use $500,000 of one-time General Fund savings available within current appropriations for the state's 50% share of the roof repairs.

26. Department of State Police

Approved the submission of a federal grant application to the U.S. Department of Justice in the amount of $1.04 million over three years to establish a computerized system to track the inventory and processing of sexual assault forensic evidence kits in possession of the Department of State Police.

27. Department of State Police

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice in the amount of $9.4 million for up to eighteen months to replace the CrimeVue criminal history database and messaging system.

28. Department of State Police

Established a General Fund appropriation for the Department of Administrative Services and allocated $73,053 from the Emergency Fund established by section 1, chapter 837, Oregon Laws 2015 and $2,000,000 from the special purpose appropriation made to the Emergency Board by section 109 (1), chapter 82, Oregon Laws 2016, to the newly established appropriation for costs associated with the unlawful occupation of the Malheur National Wildlife Refuge in Harney County, for distribution to state and local agencies to reimburse for expenses incurred during the occupation; and increased the Other Funds expenditure limitation established for the Department of State Police by section 2(1), chapter 696, Oregon Laws 2015, Patrol services, criminal investigations and gaming enforcement, by $874,188 in order to receive reimbursements due the agency from the Department of Administrative Services.

29. Criminal Justice Commission

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice in the amount of up to $1.75 million for three years to support Oregon's Justice Reinvestment efforts.

30. Department of Corrections

Acknowledged receipt of a report on female and male prison population trends and system bed capacity.

31. Department of Corrections

Allocated $1,973,714 from the special purpose appropriation made to the Emergency Board by section 41(1), chapter 82, Oregon Laws 2016 to supplement the appropriation made to the Department of Corrections by section 1(1), chapter 655, Oregon Laws 2015, Operations and health services; allocated $261,870 from the special purpose appropriation made to the Emergency Board by section 41(1), chapter 82, Oregon Laws 2016 to supplement the appropriation made to the Department of Corrections by section 1(2), chapter 655, Oregon Laws 2015, Administration, general services and human resources; allocated $764,416 from the special purpose appropriation made to the Emergency Board by section 41(1), chapter 82, Oregon Laws 2016 to supplement the appropriation made to the Department of Corrections by section 1(3), chapter 655, Oregon Laws 2015, Offender management and rehabilitation; and authorized the establishment of 33 positions (18.64 FTE); for the Department to continue activating minimum security prison beds at the Deer Ridge Correctional Institution.

32. Department of Corrections

Allocated $100,000 from the Emergency Fund established by section 1, chapter 837, Oregon Laws 2015 to supplement the appropriation made to the Department of Corrections by section 1(1), chapter 655, Oregon Laws 2015, Operations and health services; allocated $900,000 from the Emergency Fund established by section 1, chapter 837, Oregon Laws 2015 to supplement the appropriation made to the Department of Corrections by section 1(2), chapter 655, Oregon Laws 2015, Administration, general services and human resources; and increased the Other Funds expenditure limitation established for the Department of Corrections by section 2(1), chapter 655, Oregon Laws 2015, Operations and health services, by $100,000 to begin preparing the Oregon State Penitentiary-Minimum to house women offenders in the current biennium.

33. Oregon Business Development Department

Approved, retroactively, the submission of a federal grant application to the U.S. Small Business Administration in the amount of $562,500 for funds available under the State Trade Expansion Program (STEP), and authorized the agency to submit future annual applications for STEP program grants if those grants: 1) are used to expand the Oregon Trade Promotion Program; 2) do not require the state to maintain any funded program levels after expiration of the grant; and 3) do not include match requirements that require additional Lottery Funds support or a reduction in the agency's other program services.

34. Oregon Business Development Department
Higher Education Coordinating Commission

Acknowledged receipt of a report on a business plan for the American Manufacturing Innovation District; increased the Other Funds expenditure limitation established for the Oregon Business Development Department by section 1(8), chapter 82, Oregon Laws 2016, for the American Manufacturing Innovation District, by $2,499,999; increased the Other Funds capital construction expenditure limitation established for the Higher

Education Coordinating Commission by section 7, chapter 67, Oregon Laws 2016, for the American Manufacturing Innovation District building at Portland Community College, by $4,999,999; and increased the Other Funds expenditure limitation established for the Higher Education Coordinating Commission by section 5(1), chapter 642, Oregon Laws 2015, Operations, degree authorization and private career schools, by $70,000; for development of the Oregon Manufacturing Innovation Center, with the understanding the agencies will present a progress report on the Oregon Manufacturing Innovation Center to the Joint Committee on Ways and Means during the 2017 session.

36. Housing and Community Services Department

Approved, retroactively, the submission of two federal grant applications to the U.S. Treasury in the combined amount of $94,535,564 for assistance to Oregonians affected by foreclosure.

37. Employment Department

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Labor in the amount of $250,000 for the expansion and diversification of registered apprenticeship opportunities in Oregon.

38. Columbia River Gorge Commission

Allocated $5,000 from the Emergency Fund established by section 1, chapter 837, Oregon Laws 2015, to supplement the appropriation made to the Columbia River Gorge Commission by section 1, chapter 189, Oregon Laws 2015, to match the operational budget of the Commission as provided by the State of Washington for the 2015-17 biennium.

40. Department of Geology and Mineral Industries

Acknowledged receipt of a report on the progress of the tactical IT remediation plan; allocated $554,808 from the Emergency Fund established by section 1, chapter 837, Oregon Laws 2015 to supplement the appropriation made to the Department of Geology and Mineral Industries by section 1, chapter 657, Oregon Laws 2015 for implementation of the plan; authorized the establishment of two positions (1.00 FTE); and increased the Other Funds expenditure limitation established for the Department of Geology and Mineral Industries by section 2(2), chapter 657, Oregon Laws 2015, Mined land reclamation, by $64,754 for the Mined Land Reclamation and Regulation program.

41. Department of Fish and Wildlife

Approved, retroactively, the submission of a federal grant application to the U.S. Fish and Wildlife Service in the amount of $1 million to acquire a forest conservation easement for 1,751 acres near Ashland, Oregon.

42. Department of Environmental Quality

Approved the submission of a federal grant application to the U.S. Environmental Protection Agency in the amount of $250,000 for pollution prevention technical assistance services as well as projects that reduce and eliminate pollution from water, air, and land.

43. Department of Environmental Quality

Allocated $225,000 from the Emergency Fund established by section 1, chapter 837, Oregon Laws 2015, to supplement the appropriation made to the Department of Environmental Quality by section 1(1), chapter 593, Oregon Laws 2015, Air Quality, to acquire metals and particulate monitoring equipment.

44. Department of Forestry

Allocated $2,176,549 from the special purpose appropriation made to the Emergency Board by section 5, chapter 809, Oregon Laws 2015, to supplement the appropriation made to the Department of Forestry by section 1(1), chapter 809, Oregon Laws 2015, Fire protection, for the payment of the catastrophic fire insurance premium for the 2016 fire season.

46. Department of Forestry

Allocated $250,000 from the Emergency Fund established by section 1, chapter 837, Oregon Laws 2015, to supplement the appropriation made to the Department of Forestry by section 1(2), chapter 809, Oregon Laws 2015, Private forests, to provide additional preventative treatments for Phytophthora Ramorum infestations and for a $50,000 grant to the Association of Oregon Counties.

47. Parks and Recreation Department

Approved, retroactively, the submission of a federal grant application to the U.S. Fish and Wildlife Service in the amount of $500,000 for the purchase of land by the Southern Oregon Land Conservancy for habitat conservation.

48. Parks and Recreation Department

Increased the Other Funds expenditure limitation established for the Parks and Recreation Department by section 1(3), chapter 303, Oregon Laws 2015, Park development, by $615,500 for the expenditure of two grants awarded the agency by the Marine Board.

49. Parks and Recreation Department

Increased the Federal Funds expenditure limitation established for the Parks and Recreation Department by section 4(3), chapter 303, Oregon Laws 2015, Community support and grants, by $29,214 to correct an error in the allocation of Federal Funds expenditure limitation in prior legislation.

51. Department of Agriculture

Approved, retroactively, the submission of a federal grant application by the Department of Agriculture to the U.S. Food and Drug Administration in the amount of $700,000 for designing a program to enhance produce safety to prepare for implementation of new FDA food safety rules.

52. Department of Transportation

Increased the Other Funds expenditure limitation established for the Department of Transportation by section 5(2), chapter 761, Oregon Laws 2015, Maintenance and emergency relief programs, by $16,966,375 and by section 5(8), chapter 761, Oregon

Laws 2015, Local government program, by $10,732,666 for highway repair costs resulting from winter storm damage due to the 2015-16 winter season.

53. Department of Transportation

Approved, retroactively, the submission of a federal grant application to the U.S. Federal Transit Administration in the amount of $75.7 million for improvements to Abernethy Bridge on I-205, I-84 at Ladd Canyon, and I-5 between the Kuebler Interchange and Delaney Road.

54. Department of Transportation

Approved, retroactively, the submission of a federal grant application to the U.S. Federal Transit Administration in the amount of $8,524,250 for vehicle replacements in rural transit districts, construction of bike lockers and electric vehicle charging stations at the Salem Baggage Depot, and a maintenance facility addition to a transit center in The Dalles.

55. Department of Transportation

Approved, retroactively, the submission of a federal grant application to the U.S. Federal Railroad Administration in the amount of $750,000 to implement the use of Positive Train Control technology.

56. Department of Transportation

Approved, retroactively, the submission of a federal grant application to the U.S. Federal Highway Administration in the amount of $75,000 to develop a manual for standardized railroad best practices.

57. Department of Transportation

Approved, retroactively, the submission of a federal grant application to the U.S. Federal Highway Administration in the amount of $350,000 to develop a system to store underground utility location data, acquire technology that identifies the location and important attributes of utilities, and make revisions to the Utility Conflict Matrix.

58. Department of Transportation

Approved, retroactively, the submission of a federal grant application to the U.S. Federal Highway Administration in the amount of $150,000 to acquire equipment used in non-destructive testing of concrete bridge decks and tunnel liners.

59. Department of Consumer and Business Services

Increased the Other Funds expenditure limitation established for the Department of Consumer and Business Services by section 3, chapter 592, Oregon Laws 2015 by $558,617 to reverse a reduction in Other Funds expenditure limitation that was erroneously taken by prior legislation, and acknowledged receipt of a report on the operation of the Oregon Health Insurance Marketplace.

60. Office of the Governor

Acknowledged receipt of a report on the Office of the Governor organizational structure and Key Performance Measures.

61. Department of Administrative Services

Increased the Other Funds expenditure limitation established for the Department of Administrative Services by section 2(4), chapter 654, Oregon Laws 2015, Chief Human Resource Office, by $6,520,731; authorized the establishment of 22 limited duration positions (9.17 FTE) and the extension of six existing limited duration positions through the end of the biennium (4.29 FTE), including the reclassification of one to a Principal Executive Manager (PEM) G; adjusted state agency budgets by allocating $4,292,256 from the special purpose appropriation made to the Emergency Board by section 52, chapter 837, Oregon Laws 2015; increased Lottery Funds expenditure limitations by $95,628; increased Other Funds expenditure limitations by $3,357,479; and increased Federal Funds expenditure limitations by $1,489,374; to adjust state agency budgets to fund assessment increases related to continuation of the Human Resources Information System project and staffing adjustments related to the previously approved DAS Information Technology reorganization per the attached table.

62. Department of Administrative Services

Established a $2,336,040 Other Funds Capital Construction expenditure limitation for the Department of Administrative Services to replace the roof at the Department of Environmental Quality and Public Health laboratory, and established a $4,000,000 Other Funds Capital Construction expenditure limitation for the Department of Administrative Services for capital and tenant improvements at the 550 Building.

63. Department of Administrative Services

Acknowledged receipt of a report on compensation plan changes and position allocations.

64. Department of Administrative Services

Approved the 2017-19 uniform rent rates as proposed by the Department of Administrative Services and required under ORS 276.390.

65. Department of Revenue

Deferred consideration of a funding request for the Property Valuation System information technology project, and directed the agency to report to the Emergency Board in September of 2016 on the status of the project.

66. Department of Revenue

Increased the Other Funds expenditure limitation established for the Department of Revenue by section 2(1), chapter 596, Oregon Laws 2015, Administration, by $379,481 and authorized the establishment of five permanent full-time positions (2.71 FTE) for the Recreational Marijuana Program.

68. Department of Revenue

Acknowledged receipt of a report on the availability of data for tax research and forecasting purposes, and directed the agency to report to the Emergency Board in September of 2016 with an updated status report.

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Agency Name	Chapter	Section	Total Assessment GF	LF	OF	FF	Total
DEPT OF HUMAN SERVICES	760	03-01	-	-	-	838,975	838,975
DEPT OF HUMAN SERVICES	760	01-01	986,879	-	-	-	986,879
DEPT OF ADMIN SERVICES	654	02-09	-	-	3,507	-	3,507
DEPT OF ADMIN SERVICES	654	02-08	-	-	3,855	-	3,855
DEPT OF ADMIN SERVICES	654	02-01	-	-	4,570	-	4,570
DEPT OF ADMIN SERVICES	654	02-04	-	-	4,989	-	4,989
DEPT OF ADMIN SERVICES	654	02-03	-	-	5,898	-	5,898
DEPT OF ADMIN SERVICES	654	02-02	-	-	7,101	-	7,101
DEPT OF ADMIN SERVICES	654	02-05	-	-	21,955	-	21,955
DEPT OF ADMIN SERVICES	654	02-07	-	-	61,033	-	61,033
DEPT OF ADMIN SERVICES	654	02-06	-	-	78,607	-	78,607
COUNSELORS AND THERAPISTS BRD	331	01	-	-	855	-	855
AVIATION DEPARTMENT	329	01-01	-	-	3,051	-	3,051
LONG TERM CARE OMBUDSMAN	408	01-02	113	-	-	-	113
LONG TERM CARE OMBUDSMAN	408	01-01	3,004	-	-	-	3,004
LONG TERM CARE OMBUDSMAN	408	02	-	-	436	-	436
EMPLOYMENT RELATIONS BOARD	406	01	2,129	-	-	-	2,129
EMPLOYMENT RELATIONS BOARD	406	03	-	-	1,043	-	1,043
TAX PRACTITIONERS BOARD	336	01	-	-	976	-	976
STATE BOARD OF ACCOUNTANCY	302	01	-	-	1,953	-	1,953
OFFICE OF THE GOVERNOR	810	01	10,417	-	-	-	10,417
OFFICE OF THE GOVERNOR	810	03	-	2,052	-	-	2,052
OFFICE OF THE GOVERNOR	810	04	-	-	1,323	-	1,323
PSYCHOLOGISTS EXAMINERS BOARD	334	01	-	-	855	-	855
BUSINESS DEVELOPMENT	694	02-02	-	-	7,644	-	7,644
BUSINESS DEVELOPMENT	694	01-01	1,672	-	-	-	1,672
BUSINESS DEVELOPMENT	694	03-06	-	956	-	-	956
BUSINESS DEVELOPMENT	694	03-02	-	7,883	-	-	7,883
BUSINESS DEVELOPMENT	694	03-01	-	8,897	-	-	8,897
BUSINESS DEVELOPMENT	694	02-01	-	-	4,180	-	4,180
BUSINESS DEVELOPMENT	694	02-04	-	-	956	-	956
LICENSED SOCIAL WORKERS BOARD	376	01	-	-	1,465	-	1,465
ADVOCACY COMMISSIONS OFFICE	375	01	488	-	-	-	488
DEPT OF JUSTICE	692	03-01	-	-	-	1,457	1,457
DEPT OF JUSTICE	692	03-02	-	-	-	2,020	2,020
DEPT OF JUSTICE	692	03-03	-	-	-	1,666	1,666
DEPT OF JUSTICE	692	03-04	-	-	-	76,272	76,272
DEPT OF JUSTICE	692	01-02	246	-	-	-	246
DEPT OF JUSTICE	692	01-04	891	-	-	-	891
DEPT OF JUSTICE	692	01-03	6,374	-	-	-	6,374
DEPT OF JUSTICE	692	01-06	21,310	-	-	-	21,310
DEPT OF JUSTICE	692	02-05	-	-	6,070	-	6,070
DEPT OF JUSTICE	692	02-04	-	-	8,561	-	8,561
DEPT OF JUSTICE	692	02-02	-	-	10,218	-	10,218
DEPT OF JUSTICE	692	02-08	-	-	23,273	-	23,273
DEPT OF JUSTICE	692	02-06	-	-	29,219	-	29,219
DEPT OF JUSTICE	692	02-07	-	-	34,611	-	34,611
DEPT OF JUSTICE	692	02-03	-	-	38,512	-	38,512
DEPT OF JUSTICE	692	02-01	-	-	48,121	-	48,121
DEPARTMENT OF STATE LANDS	335	01-01	-	-	25,873	-	25,873
LEGISLATIVE COUNSEL COMMITTEE	772	08	11,129	-	-	-	11,129
LEGISLATIVE REVENUE OFFICE	772	12	1,953	-	-	-	1,953
LEGISLATIVE FISCAL OFFICER	772	11-01	5,125	-	-	-	5,125
DEPT OF REVENUE	596	01-01	196,270	-	-	-	196,270
DEPT OF REVENUE	596	02-01	-	-	53,786	-	53,786
LEGISLATIVE ASSEMBLY	772	04	61,330	-	-	-	61,330
LEGISLATIVE ADMIN COMMITTEE	772	01-01	24,566	-	-	-	24,566
SECRETARY OF STATE	688	03	-	-	-	606	606
SECRETARY OF STATE	688	01-01	1,228	-	-	-	1,228

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Agency Name	Chapter	Section	GF	LF	OF	FF	Total
SECRETARY OF STATE	688	01-02	11,079	-	-	-	11,079
SECRETARY OF STATE	688	02-04	-	-	3,767	-	3,767
SECRETARY OF STATE	688	02-01	-	-	7,211	-	7,211
SECRETARY OF STATE	688	02-05	-	-	7,636	-	7,636
SECRETARY OF STATE	688	02-03	-	-	17,437	-	17,437
OREGON STATE TREASURY	689	01-02	-	-	171	-	171
OREGON STATE TREASURY	689	01-01	-	-	21,769	-	21,769
JUDICIAL FIT OR DISABILITY COM	93	01-01	123	-	-	-	123
DISTRICT ATTORNEYS/DEPUTIES	332	01	8,787	-	-	-	8,787
JUDICIAL DEPARTMENT	691	01-02	430,457	-	-	-	430,457
GOVERNMENT ETHICS COMMISSION	465	01-01	-	-	1,924	-	1,924
CRIMINAL JUSTICE COMMISSION	606	03	-	-	-	23	23
CRIMINAL JUSTICE COMMISSION	606	01	1,995	-	-	-	1,995
CRIMINAL JUSTICE COMMISSION	606	02-00	-	-	27	-	27
DEPT OF MILITARY	594	03-01	-	-	-	40,057	40,057
DEPT OF MILITARY	594	03-02	-	-	-	1,878	1,878
DEPT OF MILITARY	594	03-03	-	-	-	9,518	9,518
DEPT OF MILITARY	594	01-04	2	-	-	-	2
DEPT OF MILITARY	594	01-03	1,969	-	-	-	1,969
DEPT OF MILITARY	594	01-01	9,999	-	-	-	9,999
DEPT OF MILITARY	594	01-02	11,713	-	-	-	11,713
DEPT OF MILITARY	594	02-01	-	-	933	-	933
DEPT OF MILITARY	594	02-02	-	-	5,292	-	5,292
DEPT OF MILITARY	594	02-04	-	-	6,653	-	6,653
DEPT OF MILITARY	594	02-03	-	-	28,657	-	28,657
MARINE BOARD	601	01-01	-	-	9,642	-	9,642
BOARD OF PAROLE/POST PRISON	304	01	3,825	-	-	-	3,825
OREGON STATE POLICE	696	03-02	-	-	-	821	821
OREGON STATE POLICE	696	03-04	-	-	-	183	183
OREGON STATE POLICE	696	01-02	1,968	-	-	-	1,968
OREGON STATE POLICE	696	01-03	16,107	-	-	-	16,107
OREGON STATE POLICE	696	01-04	32,324	-	-	-	32,324
OREGON STATE POLICE	696	01-01	162,181	-	-	-	162,181
OREGON STATE POLICE	696	04-00	-	7,935	-	-	7,935
OREGON STATE POLICE	696	02-03	-	-	171	-	171
OREGON STATE POLICE	696	02-01	-	-	21,845	-	21,845
OREGON STATE POLICE	696	02-02	-	-	27,833	-	27,833
OREGON STATE POLICE	696	02-04	-	-	33,030	-	33,030
PUBLIC SAFETY/STDS/TRAINING	658	02-01	-	-	32,477	-	32,477
DEPT OF VETERANS AFFAIRS	616	01-01	5,189	-	-	-	5,189
DEPT OF VETERANS AFFAIRS	616	03	-	-	14,629	-	14,629
DEPT OF CORRECTIONS	655	01-02	1,084,608	-	-	-	1,084,608
DEPARTMENT OF ENERGY	656	01	-	-	27,830	-	27,830
DEPT OF ENVIRONMENTAL QUALITY	593	02-04	-	-	172,399	-	172,399
PSYCHIATRIC REVIEW BOARD	411	01	2,685	-	-	-	2,685
PUBLIC DEFENSE SERVICES	615	01-03	6,104	-	-	-	6,104
PUBLIC DEFENSE SERVICES	615	01-01	12,395	-	-	-	12,395
OREGON YOUTH AUTHORITY	617	03	-	-	-	7,684	7,684
OREGON YOUTH AUTHORITY	617	01-01	234,585	-	-	-	234,585
INDIAN SERVICES COMMISSION	772	13	488	-	-	-	488
DEPT OF CONSUMER/BSN SERVICES	592	02	-	-	-	1,826	1,826
DEPT OF CONSUMER/BSN SERVICES	592	01	-	-	222,548	-	222,548
OREGON HEALTH AUTHORITY	838	04-01	-	-	-	191	191
OREGON HEALTH AUTHORITY	838	04-02	-	-	-	324,234	324,234
OREGON HEALTH AUTHORITY	838	01-01	2	-	-	-	2
OREGON HEALTH AUTHORITY	838	01-02	582,422	-	-	-	582,422
OREGON HEALTH AUTHORITY	838	02-01	-	-	31	-	31
OREGON HEALTH AUTHORITY	838	02-02	-	-	107,079	-	107,079
PUB EMPLOYEES RETIREMNT SYSTEI	595	01-01	-	-	89,634	-	89,634
DEPT OF EMPLOYMENT	485	04	-	-	-	149,532	149,532

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Agency Name	Chapter	Section	GF	LF	OF	FF	Total
DEPT OF EMPLOYMENT	485	01-02	-	-	30,433	-	30,433
DEPT OF EMPLOYMENT	485	01-01	-	-	134,172	-	134,172
OREGON EDUCATION INVESTMENT BI	686	01	3,661	-	-	-	3,661
HIGHER EDUCATION COORD. COMM.	642	06-01	-	-	-	89	89
HIGHER EDUCATION COORD. COMM.	642	06-02	-	-	-	9,486	9,486
HIGHER EDUCATION COORD. COMM.	642	01-09	408	-	-	-	408
HIGHER EDUCATION COORD. COMM.	642	01-03	1,249	-	-	-	1,249
HIGHER EDUCATION COORD. COMM.	642	01-01	3,549	-	-	-	3,549
HIGHER EDUCATION COORD. COMM.	642	01-02	6,651	-	-	-	6,651
HIGHER EDUCATION COORD. COMM.	642	05-01	-	-	562	-	562
HIGHER EDUCATION COORD. COMM.	642	05-02	-	-	1,653	-	1,653
HIGHER EDUCATION COORD. COMM.	642	05-03	-	-	1,986	-	1,986
OREGON STATE LIBRARY	407	01	1,799	-	-	-	1,799
OREGON STATE LIBRARY	407	03	-	-	2,992	-	2,992
DEPT OF EDUCATION	759	05-01	-	-	-	52	52
DEPT OF EDUCATION	759	01-01	109,408	-	-	-	109,408
DEPT OF EDUCATION	759	04-01	-	-	7,704	-	7,704
TEACHER STANDARDS/PRACTICES	602	01	-	-	4,882	-	4,882
COMMISSION FOR THE BLIND	484	03	-	-	-	9,868	9,868
COMMISSION FOR THE BLIND	484	01	1,776	-	-	-	1,776
COMMISSION FOR THE BLIND	484	02	-	-	8	-	8
DEPT OF AGRICULTURE	683	01-04	3,770	-	-	-	3,770
DEPT OF AGRICULTURE	683	01-03	4,033	-	-	-	4,033
DEPT OF AGRICULTURE	683	01-02	8,766	-	-	-	8,766
DEPT OF AGRICULTURE	683	03	-	6,373	-	-	6,373
DEPT OF AGRICULTURE	683	02-01	-	-	446	-	446
DEPT OF AGRICULTURE	683	02-04	-	-	18,164	-	18,164
DEPT OF AGRICULTURE	683	02-03	-	-	21,090	-	21,090
DEPT OF AGRICULTURE	683	02-02	-	-	23,070	-	23,070
DEPT OF FORESTRY	809	04-01	-	-	-	334	334
DEPT OF FORESTRY	809	04-02	-	-	-	1,365	1,365
DEPT OF FORESTRY	809	04-04	-	-	-	740	740
DEPT OF FORESTRY	809	01-02	2,830	-	-	-	2,830
DEPT OF FORESTRY	809	01-01	5,731	-	-	-	5,731
DEPT OF FORESTRY	809	02-04	-	-	1,861	-	1,861
DEPT OF FORESTRY	809	02-07	-	-	2,115	-	2,115
DEPT OF FORESTRY	809	02-02	-	-	13,978	-	13,978
DEPT OF FORESTRY	809	02-03	-	-	15,087	-	15,087
DEPT OF FORESTRY	809	02-01	-	-	168,728	-	168,728
DEPT OF GEOLOGY AND INDUSTRIES	657	03	-	-	-	521	521
DEPT OF GEOLOGY AND INDUSTRIES	657	01	5,465	-	-	-	5,465
DEPT OF GEOLOGY AND INDUSTRIES	657	02-01	-	-	6,022	-	6,022
DEPT OF PARKS AND RECREATION	303	02-02	-	53,723	-	-	53,723
DEPT OF PARKS AND RECREATION	303	01-02	-	-	90,809	-	90,809
DEPT OF FISH AND WILDLIFE	690	01-03	115,475	-	-	-	115,475
DEPT OF FISH AND WILDLIFE	690	02-03	-	-	192,652	-	192,652
DEPT OF LAND CONSERVTN/DEVELOI	333	03	-	-	-	4,362	4,362
DEPT OF LAND CONSERVTN/DEVELOI	333	01-01	9,809	-	-	-	9,809
LAND USE APPEALS BOARD	193	01	1,404	-	-	-	1,404
DEPT OF WATER RESOURCES	597	01	34,473	-	-	-	34,473
DEPT OF WATER RESOURCES	597	03-01	-	-	3,310	-	3,310
WATERSHED ENHANCEMENT BOARD	659	05	-	7,809	-	-	7,809
OREGON DEPT OF TRANSPORTATION	761	05-11	-	-	302	-	302
OREGON DEPT OF TRANSPORTATION	761	05-09	-	-	16,479	-	16,479
OREGON DEPT OF TRANSPORTATION	761	05-07	-	-	35,915	-	35,915
OREGON DEPT OF TRANSPORTATION	761	05-02	-	-	318,593	-	318,593
OREGON DEPT OF TRANSPORTATION	761	05-16	-	-	719,247	-	719,247
CHIROPRACTIC EXAMINERS BOARD	330	01	-	-	1,191	-	1,191
HEALTH RELATED LICENSING BRDS	192	03	-	-	390	-	390
HEALTH RELATED LICENSING BRDS	192	05	-	-	598	-	598

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Agency Name	Chapter	Section	GF	LF	OF	FF	Total
HEALTH RELATED LICENSING BRDS	192	02	-	-	639	-	639
HEALTH RELATED LICENSING BRDS	192	04	-	-	658	-	658
HEALTH RELATED LICENSING BRDS	192	06	-	-	660	-	660
HEALTH RELATED LICENSING BRDS	192	01	-	-	1,256	-	1,256
OREGON BOARD OF DENTISTRY	191	01	-	-	1,707	-	1,707
BUREAU OF LABOR AND INDUSTRIES	693	04	-	-	-	1,558	1,558
BUREAU OF LABOR AND INDUSTRIES	693	01	15,723	-	-	-	15,723
BUREAU OF LABOR AND INDUSTRIES	693	02	-	-	6,761	-	6,761
LIQUOR CONTROL COMMISSION	817	07-00	-	-	5,102	-	5,102
LIQUOR CONTROL COMMISSION	600	01-01	-	-	50,457	-	50,457
MEDICAL EXAMINERS BOARD	409	01	-	-	9,469	-	9,469
BOARD OF NURSING	439	01	-	-	11,667	-	11,667
PHARMACY, OREGON BOARD OF	410	01	-	-	4,638	-	4,638
PUBLIC UTILITY COMMISSION	305	01-01	-	-	14	-	14
PUBLIC UTILITY COMMISSION	305	01-02	-	-	17	-	17
PUBLIC UTILITY COMMISSION	305	01-04	-	-	25	-	25
PUBLIC UTILITY COMMISSION	305	01-03	-	-	31,246	-	31,246
RACING COMMISSION	306	01-00	-	-	3,239	-	3,239
DEPT OF HOUSING/COMMUNITY SVCS	747	04	-	-	-	4,056	4,056
DEPT OF HOUSING/COMMUNITY SVCS	747	01	145	-	-	-	145
DEPT OF HOUSING/COMMUNITY SVCS	747	02	-	-	14,736	-	14,736
CONSTRUCTION CONTRACTOR BOAR	190	01	-	-	18,306	-	18,306
REAL ESTATE AGENCY	94	01	-	-	7,322	-	7,322
			4,292,256	**95,628**	**3,357,479**	**1,489,374**	**9,234,737**

Legislative Fiscal Office

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Ken Rocco
Legislative Fiscal Officer

Daron Hill
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Summary of Emergency Board Action

May 2016

The Legislative Emergency Board met on May 25, 2016 and considered an agenda of 62 items. The Emergency Board approved allocations from the general purpose Emergency Fund in response to eight separate requests, totaling $2.6 million. Another four requests were allocated funds from special purpose appropriations made to the Emergency Board that totaled $11.5 million. Additional details on these allocations are described below. After the Emergency Board actions, the balance in the general purpose Emergency Fund is $29.6 million. An additional $51.8 million remains in various special purpose appropriations, including $40 million for caseload costs or other unbudgeted expenses of the Oregon Health Authority and the Department of Human Services. Unused special purpose appropriations become available for any lawful use by the Emergency Board on December 1, 2016.

The agenda included 17 items that requested additional 2015-17 biennium authority to spend Lottery Funds, Other Funds, and Federal Funds. The Emergency Board approved expenditure limitation increases of approximately $95,628 Lottery Funds, $55 million Other Funds (including $27.6 million for the Department of Transportation) and $4.8 million Federal Funds (including $2.5 million for the Department of Justice). The Emergency Board also authorized the establishment of 64 positions (33.1 FTE) and the extension of six currently existing positions through the end of the biennium (4.29 FTE).

The agenda also included 15 agency reports which the Emergency Board acknowledged receiving. The Emergency Board heard 22 requests for the submission of federal grant applications (13 of which were on a consent agenda). The Emergency Board also deferred taking action on two requests for allocations from the Emergency Fund.

The following is a summary of significant Emergency Board actions taken at the May 2016 meeting:

EDUCATION

- Acknowledged receipt of a report by the Department of Education on the implementation of the mixed delivery preschool program.
- Allocated $273,062 from the Emergency Fund to the Department of Education for grants to school districts to improve internet connectivity and access.
- Acknowledged receipt of reports by the Higher Education Coordinating Commission on 2016-17 academic year University tuition and mandatory fee increases for resident undergraduates and on the distribution of funding for Community College academic counselors.
- Approved the submission of a federal grant application by the Department of Education for child care related implementation research and evaluation planning.

HUMAN SERVICES

- Acknowledged receipt of a report by the Department of Human Services on program sustainability options and actions.
- Acknowledged receipt of reports by the Oregon Health Authority on the Oregon Health Plan 1115 waiver renewal for 2017-22 and on the Medicaid Management Information System and related systems and interfaces.
- Approved the submission of federal grant applications by the Department of Human Services for the enhancement of adult protective services and for enhancing the state's system for

providing information on and access to long term services and supports.

- Approved the submission of federal grant applications by the Oregon Health Authority for epidemiology and laboratory capacity for infectious diseases, chronic disease and oral health, emerging infections, and prescription drug and opioid addiction/overdose prevention.
- Increased the Other Funds expenditure limitation for the Board of Nursing by $244,452 for the establishment of two permanent positions (1.58 FTE) and the reclassification of six other positions to address workload increases.

PUBLIC SAFETY and JUDICIAL BRANCH

- Acknowledged receipt of a report by the Department of Corrections on female and male population trends and system bed capacity.
- Allocated $3 million from a special purpose appropriation made to the Emergency Board to the Department of Corrections to continue activating minimum security prison beds at the Deer Ridge Correctional Institution, authorized the establishment of 33 positions (18.64 FTE), and indicated that remaining unfunded prison capacity needs would be addressed at a future Emergency Board meeting this interim or during the 2017 session.
- Allocated $1 million from the Emergency Fund to the Department of Corrections and increased the agency's Other Funds expenditure limitation by $100,000 to begin preparing the Oregon State Penitentiary-Minimum to house women offenders in the 2015-17 biennium.
- Acknowledged receipt of a report by the Department of Justice on the Child Support Enforcement Automated System (CSEAS) and increased the Federal Funds expenditure limitation by $2,538,107 for the project to cover expenditures through October 2016.
- Increased the Other Funds expenditure limitation for the Department of Public Safety Standards and Training by $100,000 for additional training of 911 tele-communicators and by $337,000 for crisis intervention training for first responders.
- Approved the submission of a federal grant application by the Department of State Police for a grant in the amount of $9.4 million to replace the CrimeVue criminal history database and messaging system.
- Allocated $2 million from a special purpose appropriation made to the Emergency Board for state and local government costs associated with the takeover of the Malheur National Wildlife Refuge in Harney County, allocated $73,053 from the Emergency Fund for the same purpose, and increased the Other Funds expenditure limitation for the Department of State Police by $874,188 in order for the agency to receive reimbursement for its costs. The allocations were made to the Department of Administrative Services for distribution to eligible state and local government units.
- Allocated $170,000 from the Emergency Fund to the Military Department for roof repairs at the Forest Grove and Kliever-Portland armories and directed the agency to use $500,000 of one-time General Fund savings available in the current budget to match the federal funding to complete the roof repairs.
- Increased the Other Funds expenditure limitation for the Military Department by $256,000 and the Federal Funds expenditure limitation for the Military Department by $518,000 for the Oregon Youth Challenge Program.
- Increased the Federal Funds expenditure limitation for the Military Department by $270,000 for the STARBASE Program.
- Approved the submission of federal grant applications by the Criminal Justice Commission for the Justice Reinvestment program and by the Department of State Police for SAFE kit inventory, tracking, and reporting.
- Acknowledged receipt of a report by the Commission on Judicial Fitness and Disability on compensation plan changes.
- Deferred taking action on a request by the Public Defense Services Commission to fund proposed salary increases.

NATURAL RESOURCES

- Allocated $5,000 from the Emergency Fund for the Columbia River Gorge Commission to match the 2015-17 budget provided by the State of Washington for Commission operations as required by interstate compact.
- Acknowledged receipt of a report by the Department of Geology and Mineral Industries on the progress of the tactical IT remediation plan, allocated $554,808 from the Emergency Fund for the plan, authorized the establishment of two positions (1.00 FTE), and increased the Other

Funds expenditure limitation for the Department by $64,754 for the Mined Land Reclamation and Regulation program.

- Allocated $225,000 from the Emergency Fund for the Department of Environmental Quality to acquire metals and particulate monitoring equipment.
- Allocated $2,176,549 from a special purpose appropriation made to the Emergency Board for fire severity resources to the Department of Forestry for the purchase of catastrophic fire insurance for the 2016 fire season.
- Allocated $250,000 from the Emergency Fund for the Department of Forestry to augment and add to existing resources for the treatment of Sudden Oak Death.
- Increased the Other Funds expenditure limitation for the Parks and Recreation Department by $615,500 for grants received from the Marine Board.
- Increased the Federal Funds expenditure limitation for the Parks and Recreation Department by $29,214 to correct a technical error in personal services from the 2016 session.
- Approved the submission of a federal grant application by the Parks and Recreation Department for purchase of land by the Southern Oregon Land Conservancy for habitat conservation.
- Approved the submission of federal grant applications by the Department of Fish and Wildlife for the acquisition of a conservation easement on 1,751 acres near Ashland, by the Department of Environmental Quality for pollution prevention, and by the Department of Agriculture for Food Safety Modernization Act implementation.

ECONOMIC and COMMUNITY DEVELOPMENT

- Acknowledged receipt of a report by the Oregon Business Development Department and the Higher Education Coordinating Commission on a business plan for the American Manufacturing Innovation District, increased the Other Funds expenditure limitation for the Oregon Business Development Department by $2,499,999 for the project, increased the Other Funds Capital Construction expenditure limitation for the Higher Education Coordinating Commission by $4,999,999 for the project, and increased the Other Funds expenditure limitation for the Higher Education Coordinating Commission by $70,000 for the development of the Oregon Manufacturing Innovation Center.
- Approved the submission of a federal grant application by the Oregon Department of Business Development for the State Trade Expansion Program and authorized the agency to submit future grants for the same program under certain specified conditions.
- Approved the submission of two federal grant applications by the Housing and Community Services Department totaling $94.5 million under the Hardest Hit program to assist Oregonians at risk of experiencing mortgage foreclosure.
- Approved the submission of a federal grant application by the Employment Department to support expansion and diversification of registered apprenticeship.

TRANSPORTATION

- Increased the Other Funds expenditure limitation for the Department of Transportation by $16,966,375 for the Maintenance and Emergency Relief programs and by $10,732,666 for the Local Government program for costs associated with repairing highways due to 2015-16 winter storm damage.
- Approved the submission of a federal grant application by the Department of Transportation in the amount of $75.7 million under the federal FASTLANE program for three interstate highway projects.
- Approved the submission of federal grant applications by the Department of Transportation for bus facilities, positive train control, railroad best practices, utility solutions, and bridge and tunnel testing.

CONSUMER and BUSINESS SERVICES

- Acknowledged receipt of a report by the Department of Consumer and Business Services on the Oregon Health Insurance Marketplace program and increased the Other Funds expenditure limitation for the Department by $558,617 to correct a double counted reduction from the 2016 session.

ADMINISTRATION

- Acknowledged receipt of a report by the Office of the Governor on its organizational structure and Key Performance Measures.

- Increased the Other Funds expenditure limitation for the Department of Administrative Services, Chief Human Resources Office by $6,520,731; authorized the establishment of 22 limited duration positions (9.17 FTE) and the extension of six existing limited duration positions through the end of the current biennium (4.29 FTE); and adjusted state agency budgets by allocating $4,292,256 from a special purpose appropriation made to the Emergency Board for Department of Administrative Services' assessment increases, increased the Lottery Funds expenditure limitation of state agencies by $95,628, the Other Funds expenditure limitations by $3,357,479, and the Federal Funds expenditure limitations by $1,489,374 for assessment increases related to continuation of the Human Resources Information System project and other adjustments related to previously approved Department IT reorganization effects.
- Established an Other Funds Capital Construction expenditure limitation in the amount of $2,336,040 for the Department of Administrative Services for a roof replacement at the Department of Environmental Quality and Public Health laboratory and established an Other Funds Capital Construction expenditure limitation in the amount of $4,000,000 for the Department of Administrative Services for tenant improvements at the 550 Building.
- Acknowledged receipt of a report by the Department of Administrative Services on compensation plan changes.
- Acknowledged receipt of a report by the Department of Administrative Services on uniform rent rates for the 2017-19 biennium and to recommend to the next Legislative Assembly that agency budgets include sufficient spending authority to cover the rent costs as required by ORS 276.390.
- Increased the Other Funds expenditure limitation for the Department of Revenue by $379,481, authorized the establishment of five permanent positions (2.71 FTE), and authorized the movement of and existing manager position from limited duration to permanent status for the recreational marijuana tax cash management program.
- Deferred taking action on a request by the Department of Revenue to allocate funds from the Emergency Fund for the Property Valuation System.
- Acknowledged receipt of a report by the Department of Revenue on GenTax data availability for research purposes.

Emergency Fund Balance Summary			
		Agency Requests	Emergency Board Action
General Purpose Emergency Fund			
	Appropriation (after 2016 Session adjustments)	32,000,000	32,000,000
	Allocations to date		
Unallocated Balance		32,000,000	32,000,000
#	***May 2016 Requests - General Purpose***		
2	Public Defense Services Commission - Proposed Salary Increases	(541,014)	0
6	Department of Education - School Fiber Optic Broadband	(500,000)	(273,062)
25	Military Department - Armory Roof Repair	(670,000)	(170,000)
28	Oregon State Police - Malheur National Wildlife Refuge Occupation Costs (see SPA Section below)	(2,487,914)	(73,053)
31	Department of Corrections - Deer Ridge Correctional Institution Male Capacity (see SPA Section below)	(6,899,109)	0
32	Department of Corrections - Oregon State Penetentiary Minimum Women Capacity	(10,569,266)	(1,000,000)
38	Columbia River Gorge Commission - Operational Expense Washington Match	(5,000)	(5,000)
40	Department of Geology and Mineral Industries - Information Technology Remediation Plan	(713,907)	(554,808)
43	Department of Environmental Quality - Air Toxics Monitoring	(225,000)	(225,000)
44	Department of Forestry - Catastrophic Wildfire Insurance Policy (see SPA Section below)	(2,176,549)	0
46	Department of Forestry - Sudden Oak Death Eradication	(250,000)	(250,000)
65	Department of Revenue - Property Valuation System Project	(1,500,000)	0
	Total Requests - General Purpose	(26,537,759)	(2,550,923)
	General Purpose Unallocated Balance after 05/2016	5,462,241	29,449,077
Special Purpose Appropriations - Agency Specific (after 2016 Session actions)		63,255,445	63,255,445
	Allocations/Transfers to Date		
Unallocated Balance		63,255,445	63,255,445
#	***May 2016 Requests - Special Purpose Appropriations - Agency Specific***		
28	Oregon State Police - Malheur National Wildlife Refuge Occupation Costs (see above)	0	(2,000,000)
31	Department of Corrections - Deer Ridge Correctional Institution Male Capacity (see above)	0	(3,000,000)
44	Department of Forestry - Catastrophic Wildfire Insurance Policy (see above)	0	(2,176,549)
61	Department of Administrative Services - Rates/Assessment Adjustments	(4,292,784)	(4,292,256)
	Total Requests - Special Purpose - Agency Specific	(4,292,784)	(11,468,805)
	Special Purpose - Agency Specific - Unallocated Balance after 05/2016	58,962,661	51,786,640

Letter from the Director

The Oregon Health Authority's core mission is to ensure a healthy Oregon for all of its 4 million citizens, and for individuals relying on the Oregon Health Plan/Medicaid. In collaboration with health system partners, community groups, tribes and local governments across the state, we have created a healthier Oregon by focusing on the triple aim: better health, better care and lower costs while concurrently pursuing modernization of our public health system. Our work has improved access to care and health outcomes for more than a million Oregonians – and held down costs for Oregon taxpayers – during a time of great change.

Expanding access to care and holding down costs

Access to health care is foundational to the ability of Oregonians to achieve their goals for education and employment. Good health care allows students to attend and focus on school. Effective interventions keep communities safe from disease outbreaks and address behavioral health problems that lead to preventable hospitalization and incarceration. Preventive care and regular treatment for chronic conditions avoids millions of dollars in public and private costs for unnecessary treatment.

Oregon has expanded health coverage to nearly 95 percent of the state's population. Today, the Oregon Health Plan/Medicaid is the largest health plan in the state, providing integrated physical, oral, and behavioral health care to 1.1 million Oregonians – 28 percent of the state. About 38 percent of adult OHP members are employed.

Even as health system transformation has expanded access to care, we have improved quality and remained accountable to a promised 3.4 percent per-capita annual growth rate – saving $1.3 billion in state and federal funds from 2013 to 2016. We remain committed to maintaining the 3.4 percent annual growth limitation through 2022.

- Ninety percent of OHP members are enrolled in coordinated care organizations (CCOs), which receive incentives for improving quality and access for Oregonians.

- Outcomes have continued to improve, with reduced emergency room visits, reduced hospital readmissions, increased adolescent well-care visits, more health assessments for children in foster care, and improved member satisfaction.
- Our new online eligibility portal – ONE – improves access to care for OHP/Medicaid members and improves operational efficiency.

Our public health system has continued to innovate to improve the health of those most vulnerable as well as the public's health overall.

- The rate of 2-year olds who are fully vaccinated has increased from 58 percent to 70 percent in the last two years.
- We've increased participation in school dental sealant programs for grades 6-8 from just 8 percent in the 2014-2015 school year to 65 percent in the 2015-2016 school year.
- An evidence-based campaign was recently launched to prevent marijuana use among Oregon's youth.
- We are creating health-based regulations for industrial point sources of pollution for all Oregon communities, in partnership with the Department of Environmental Quality (DEQ).
- Based on a comprehensive assessment of our existing public health system, we are modernizing to ensure that Oregon has a public health system that is accountable for the health of the community it serves regardless of whether it is rural, urban or east or west of the Cascades.

In 2016, we restructured the agency to align with the work of health system transformation – combining health-related divisions and consolidating operational units. This structure has created greater accountability and clearer expectations for all OHA staff.

Challenges for the 2017-2019 biennium

We have made significant progress. We are entering Health System Transformation 2.0 characterized by reduced federal support for the Affordable Care Act (ACA), increased opportunities for innovation and maturing business and operation systems. Much work remains.

Projections for Oregonians eligible for the Oregon Health Plan are higher than originally anticipated in 2013. At the same time, federal Medicaid funding is decreasing. This growth, combined with the volatility of the original one-time funding for OHP/Medicaid, challenges our ability to continue to deliver high-quality and cost-effective health care to Oregonians in need.

Nearly one in six Oregonians needs behavioral health services. OHA is working with local partners, behavioral health providers, CCOs, consumers and advocates to develop recommendations to achieve better outcomes and more efficiently align resources in Oregon's behavioral health system. We are committed to

- Ensuring that every Oregonian has access to effective services and support in their community through partnership with community behavioral health providers, courts and public safety systems.
- Promoting recovery for patients who require treatment at Oregon State Hospital.
- Accomplishing the goals of Oregon's performance plan with the United States Department of Justice to provide greater access to community-based services for adults with serious and persistent mental illness.

In addition, the role of governmental public health in providing safety net services has changed over time. Growth in the volume of new and emerging health threats has exposed the need for a governmental public health system that can:

- Systematically collect and report on population health risks and health disparities.
- Implement needed policy changes to improve health and protect the population from harms.
- Leverage partnerships across the health system to ensure maximum efficiency and effectiveness of services delivered.

There are many recent examples of the growing complexity of community demands for governmental public health services: the response to the international Zika and Ebola virus outbreaks; meningitis outbreaks at our university campuses; community support for the Umpqua Community College tragedy and the occupation in Harney County; preparation for a possible Cascadia Subduction Zone earthquake; and the need to address environmental threats to human

health. At the same time, Oregon's investment in public health continues to lag – ranking below the national median for per capita funding. Oregon currently ranks 46th in the country ($13.37 compared to a median of $27.40).

Investing in public health directly translates to investing in Oregon's success now and for future generations. Our clear choice is to commit to building on the success and tremendous advances gained over the past four years. They form a strong foundation to continue integration of physical, behavioral and oral health services and respond to the social and environmental factors that create barriers to optimum health for all Oregonians.

The Oregon Health Authority is committed to advancing the health of every Oregonian, and built its budget request with these embedded values.

Sincerely,

Lynne Saxton
Director

Oregon Health Authority

MISSION STATEMENT

The mission of the Oregon Health Authority is helping people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to quality, affordable health care.

AGENCY PRIORITIES AND INITIATIVES

With our mission in mind, OHA is focused on accelerating the transformation of Oregon's health care system. Our goals are to provide easier and wider access to care, deliver better health outcomes and contain health costs for Oregon Health Plan members. From the modernization of Oregon's public health system to the renewal of the state's Medicaid waiver, the next 18 months present both challenges and opportunities to advance these goals.

OHA's goals and priorities, detailed below, directly support and are integrally tied to Governor Brown's focus areas for safer, healthier communities and excellence in state government.

Make Oregon Health Plan member experience with Oregon's Medicaid program simpler, easier, more timely and reliable. To accomplish this goal, we will:

- Deliver accurate, timely and reliable data through enrollment and eligibility data systems.
- Improve OHA's ability to forecast future enrollment accurately.
- Implement highly functioning technology systems to support eligibility, enrollment and closures.
- Improve Oregon Health Plan member experience.

Create a behavioral health system that works for all Oregonians. To accomplish this goal, we will:

- Accelerate the development of a highly functioning behavioral health system that is patient- and family-centered, accountable and focused on outcomes (including but not limited to stable housing, transportation and employment supports).

- Finalize our agreement with the United States Department of Justice (DOJ) to implement an Oregon Performance Plan.
- Improve access to behavioral health services.
- Launch and implement our Behavioral Health System mapping tool on June 30, 2016, to inform policy and funding discussions during the 2017 legislative session.
- Better integrate behavioral and physical health services for OHP members.

Address inequities, disparities and disproportionate impact to achieve health equity in OHA health systems. To accomplish this goal, we will:

- Reduce disparities in Oregon Health Plan (OHP) enrollment and eligibility determination among Oregon's linguistically diverse populations.
- Reduce disparities in use of behavioral health services and increase treatment completion rates for racially, ethnically and linguistically diverse populations.
- Increase colorectal cancer screening rates among racially, ethnically and linguistically diverse populations.

Accelerate health system transformation and maximize the value of Oregon's investment. To accomplish this goal we will:

- Describe a vision and create a roadmap for Oregon's Health System Transformation 2.0
- Advance the coordinated care organization system with increased focus on the social determinants of health and increase the pace of reform in components of Oregon's health system that have yet to produce intended outcomes. These areas include:
    - Addressing health system disparities in rural areas and improving workforce capacity to improve access
    - Promoting improved oral health.
    - Enhancing cross-system collaboration among health, early learning and housing.
    - Accelerating value-based payments and aligning metrics to reward better health outcomes.
    - Enhancing health system tools to support and improve care coordination.
- Increase transparency in outcomes and costs.

Advance Oregon's health system transformation through renewal of our 1115 Medicaid Demonstration Waiver. To accomplish this goal we will:

Apply for a waiver renewal for the next five years to take our commitment to Oregon's health system transformation to the next level by:

- Extending our Hospital Transformation Performance Program (HTTP).
- Evolving our global budget to enhance the use of flexible services and value based purchasing.
- Increasing behavioral health integration.
- Improving social determinants of health through a Coordinated Health Partnership Model and health equity.
- Expanding to new populations within a financially sustainable budget.

- Seek a future amendment to support needed changes in Oregon's substance use disorder delivery system.

Modernize Oregon's public health system. To accomplish this goal we will:

- Ensure all Oregonians have the opportunity to achieve optimal health.
- Ensure Oregon's public health system is highly effective, efficient, and meets performance standards.
- Ensure all Oregonians are served by a health department that provides foundational public health services that are critical for protecting the health of everyone in Oregon.
- Quantify secure and sustainable funding for state and local implementation of foundational public health services.

Address Rising Pharmaceutical Costs. New breakthrough medications coming to market are offering the chance to better treat and cure disease. However, these come at a financial cost that needs to be managed to provide sustainable delivery**.** To accomplish this goal we will:

- Collaborate with internal and external stakeholders, legislators, commercial payers and other states to develop strategies to address rising pharmacy costs.
- Establish and lead the OHA Pharmacy Cost Collaborative to coordinate efforts with the CCOs to explore creative concepts for helping to control rising pharmacy costs for the OHP population. The group is not tasked with making any

formal decisions or recommendations, but it will harness the CCOs' best practices and creativity to explore specific, sustainable solutions to pharmacy-related issues such as Hepatitis C.

Implement Oregon's retail and medical marijuana laws to protect public health. To accomplish this goal, we will:

- Prevent youth marijuana use through a robust youth-oriented prevention campaign.
- Protect children and vulnerable populations from marijuana exposure.
- Educate the public about issues related to marijuana use.
- Understand and minimize the public health impacts of retail marijuana products.
- Support research of the medical properties of marijuana.
- Support the development of clinical guidelines for the use of marijuana.
- Effectively regulate medical and retail marijuana by:
    - Establishing effective registration, compliance and enforcement for dispensaries, growers and processors.
    - Providing compassionate and responsible access to medical marijuana products.
    - Developing clear and effective consumer safety labeling standards.
    - Defining robust and comprehensive laboratory accreditation and testing standards.

Maintain a fiscally sustainable budget. To accomplish this goal, we will:

- Support health system transformation for all Oregonians through a financially sustainable plan.
- Ensure that the Oregon Health Authority is operating efficiently and effectively to meet the needs of all Oregon Health Plan members by ensuring transformation occurs within the 3.4% acceptable rate of budget growth agreed upon in our waiver with the Centers for Medicare and Medicaid Services.

Empower and strengthen the skills and capabilities of OHA's employees. To accomplish this goal, we will:

- Empower the workforce to enable more people to make more decisions in their specific context (greater delegation and empowerment).
- Ensure human resource activities (recruiting, onboarding, developing retention) are robust and highly effective to support and sustain a strong, highly functioning and diversified workforce.

- Ensure all managerial and supervisory staff have training, resources and tools that are designed to lead, manage and create a positive work environment.

PROGRAM DESCRIPTIONS

OHA Central Services

OHA Central Services supports the OHA mission by providing leadership in several dedicated key policy and business areas. This service area contains the following key areas:

The **Director's Office** is responsible for the overall leadership, policy and development and administrative oversight for the Oregon Health Authority. This office coordinates with the Governor's Office, the Legislature, other state and federal agencies, Tribes, partners and stakeholders, local governments, advocacy and client groups, and the private sector.

The Director's Office provides leadership in achieving the agency's mission. OHA's clear direction is to innovate, improve and transform the state health care system to meet three goals:

- Improve the lifelong health of all Oregonians
- Increase the quality, reliability and availability of care for all Oregonians
- Lower or contain the cost of care so it is affordable to everyone

The **Fiscal and Operations Division** provides operational support and services to the Oregon Health Authority. The division includes the following functional areas:

- Health Care Finance – Providing coordination and oversight for program financing policies and collaboration for strategic finance decisions. Providing review and evaluation of coordinated care organization financial reports and data.
- Budget – Performing budget development, coordination, execution, monitoring, and management of OHA budgets within divisions and across the agency.
- Central Operations – Providing and coordinating services to support agency operations.

- Human Resources – Providing human resource services and competencies including recruitment and staffing, employee relations, organizational and employee development, risk management, and human resource regulatory compliance.
- Program Integrity – Providing coordination, oversight, and implementation for program integrity functions.
- Performance Excellence – Providing continuous improvement and quality management services.

The **Office of Equity and Inclusion (OEI)** works on behalf of the Oregon Health Authority and the broader health system in Oregon to ensure the elimination of avoidable health care gaps and to promote optimal health in Oregon for everyone. The work is carried out in three major work units:

- Equity and Policy
- Compliance and Civil Rights
- Business Support and Administration.

These units develop programs and initiatives relating to health equity policy and practice, access, diversity and inclusion, non-discrimination, the development of culturally and linguistically responsive practices and services and so forth. The division engages community partners and stakeholders, and utilizes data and best practice research to carry out its work. The policy and program initiatives of the division address social conditions and historical inequities faced predominantly by racially, ethnically, culturally and linguistically diverse populations of people so that Oregon can achieve greater health equity and a more robust and inclusive health delivery system.

The External Relations Division supports the mission of the Oregon Health Authority by providing accurate and accessible information about OHA's mission and programs, responding to requests for information from policymakers, stakeholders and the public and fostering transparent and meaningful public involvement in agency decision-making. The External Relations Division is comprised of four main work units:

- Communications
- Consumer Affairs
- Government Relations
- Ombudsman

Health Systems Division

The budget for Health Systems Division includes:

- Program Support and Administration
- Medicaid
- Non-Medicaid

Through its functional realignment, the Oregon Health Authority integrated Medical Assistance Programs (MAP) and Addictions and Mental Health (AMH) into the Health Systems Division (HSD) and structured the Oregon State Hospital as a stand-alone program unit.

The **HSD – Program Support and Administration** ensures HSD has the administrative infrastructure, and operational and technology resources, including human resources, necessary to fulfill the mission and perform HSD's legislative charge and mandates. The Health Systems Division is a newly integrated area that includes the former MAP and AMH. This area ensures systematic health care transformation in the coordinated care model occurs at the coordinated care organization level and that state operations are effective, efficient, and fiscally sustainable. HSD oversees regulatory and operational management of Oregon's health delivery system. The division manages the implementation and evaluation of multiple statewide programs and activities in support of the Medicaid program including integrating and coordinating interagency activities.

The **HSD Medicaid** budget includes the Oregon Health Plan, which provides medical coverage for Medicaid under Title XIX of the Social Security Act, and Children's Health Insurance Program (CHIP) under Title XXI of the Social Security Act. Medicaid has traditionally provided medical coverage to low-income seniors, people with disabilities, children, and pregnant women. Since January 2014, the Oregon Health Plan has also covered all Oregon adults with income at or below 138 percent of the federal poverty level.

The HSD Medicaid budget also includes the Qualified Medicare Beneficiaries program. This program pays the Medicare premiums, deductibles, co-insurance and co-payments for clients. To be eligible, a person must be receiving Medicare Part A (hospital insurance benefits). Income and resources must fall within certain limits. Eligibility extends up to 135 percent of the federal poverty level. For the 2015-2017 biennium, the program has a budget of $31 million and serves almost 24,000 people.

This budget includes Medicare Part A and Part B premium payments for Medicaid-eligible clients. For the 2015-2017 biennium, the budget to pay these premiums is $80 million for Medicare Part A payments for an average of 6,800 clients a month and $351 million for Medicare Part B payments for an average of 120,000 clients a month.

This budget includes Law Enforcement Medical Liability Account (LEMLA), which pays medical claims for individuals who are injured in interactions with law enforcement. Law enforcement agencies submit claims to OHA if they are unable to recover costs directly from those individuals or their insurance companies. For the 2015-2017 biennium, the LEMLA budget is $1.4 million.

Statutory Authority
Oregon Revised Statute (ORS) 414.018 through 414.760 establish and authorize the programs administered by HSD-Medicaid.

The **HSD – Non-Medicaid** budget supports critical elements in Oregon's community behavioral health system that serve as the safety net for all Oregonians regardless of health care coverage. An important focus of this system is to respond to individual and community crises, meeting the immediate mental health needs for a defined population and geographic region. In addition, non-Medicaid funds purchase social supports for OHP members that are not included in the Medicaid benefit package, such as early outreach and engagement, peer-based recovery and housing services. These funds help fill in the gaps by supporting social and clinical activities not reimbursed by OHP or other payers. HSD works closely with OHA's Health Policy and Analytics, the Transformation Center, OHA's Office of Equity and Inclusion division and CCOs to coordinate the system of care as well as achieve better health and better care at lower costs for all Oregonians by integrating physical and behavioral health services and promoting health equity.

HSD administers contracts and agreements with local mental health authorities such as LMHAs, CMHPs, non-profit providers, and tribes to develop and administer community-based behavioral health services and supports that are not covered by Oregon's Medicaid program. HSD services restore functioning, promote resiliency, health and recovery, and protect public safety by serving adults, children and adolescents with substance use disorders, mental and emotional disorders and problem gambling disorders as well as providing resources to their families. These services and supports are delivered in outpatient, residential, school, hospital, justice and other community settings. Culturally specific statewide and regional programs provide services for Native American,

Hispanic/Latino and African American populations. These programs are designed to deliver evidence-based services that restore individuals and their families to the highest level of functioning possible. These programs employ peer support specialists, qualified mental health associates (QMHAs), qualified mental health professionals (QMHPs), psychiatrists, psychiatric nurse practitioners, qualified health services (QHS) providers, psychologists and other independently licensed providers, Certified Alcohol and Drug Counselors (CADCs), Certified Gambling Addiction Counselors (CGACs), and personal care providers. Individual consumers and their families also are key partners. These partnerships are critical to successfully treating behavioral health conditions.

Statutory Authority

The statutory framework for Non-Medicaid programs administered by HSD is included in the following state and federal statutes:

- ORS 430 provides OHA the statutory framework for the development, implementation and continuous operation of the community treatment programs to serve people with addiction disorders and mental health disorders subject to the availability of funds
- Alcohol and Drug Programs operate under the authority of Oregon Revised Statute (ORS) 430.254 through 430.426 and ORS 430.450- 430.590 and Federal PL 102-321 (1992) Sections 202 and 1926
- Problem gambling treatment and prevention services are mandated by Oregon Revise Statute (ORS) 413.520, which directs the Oregon Health Authority to develop and administer statewide gambling addiction programs and ensure delivery of program services

Health Policy and Analytics

The budget for Health Policy and Analytics (HPA) includes the:

- Office of Health Policy (which includes the Director of Health Policy and Analytics, the State Medicaid Director, the Office of Clinical Improvement Services, and Health Policy);
- Office of Health Analytics;
- Office of Health Information Technology; and
- Office of Business Support.

These offices provide agency-wide policy development, strategic planning, clinical leadership, Medicaid policy leadership, the development of statewide delivery system technology tools to support care coordination, CCO and delivery transformation

support, and health system performance evaluation reports. Together, these offices provide services and support focused on achieving the triple aim of better health, better care, and lower costs as well as health equity.

Public Employees' Benefit Board

The Public Employees' Benefit Board (PEBB) provides high-quality insurance and other employee benefit options at a cost affordable to employees and the state. Insurance benefits are a part of employees' total compensation package and an important tool in hiring and retaining high-quality personnel.

With a staff of about 20, PEBB designs, contracts for and administers health plans, group policies and flexible spending accounts for PEBB members. More than 130,000 Oregonians are PEBB members. They include active employees, spouse and domestic partner dependents, child dependents up to age 26, and adult children with disabilities over age 26, from: state agencies, universities, Lottery and semi-independent agencies, and local governments and special districts. PEBB provides some bilingual and multilingual staff support and uses an interpreter service line for callers who speak languages not supported by staff.

Statutory Authority

The Public Employees' Benefit Board authority lies in ORS 243.061 through ORS 243.302. House Bill 2279 (2013) expands participation eligibility to include local governments and special districts.

Oregon Educators Benefit Board

The Oregon Educators Benefit Board (OEBB) administers medical, dental, vision and other benefit plans for Oregon's school and education service districts, and since 2013 cities, counties and special districts as well. A *Seamless System of Education* requires a stable workforce, which includes recruitment and retention. Competitive insurance benefits are a part of employees' total compensation package and an important tool in hiring and retaining quality personnel.

With a staff of 20, OEBB serves more than 150,000 members (employees and early retirees and their family members) in more than 250 publicly funded entities throughout Oregon. They include nearly all school districts, education service districts and community colleges, numerous charter schools and some counties and special districts. OEBB serves its members and entities year-

round. Activity significantly increases during the annual renewal and open enrollment periods. OEBB provides some bilingual and multilingual staff support and uses an interpreter service line for callers speaking other languages not supported by staff.

OEBB works closely with its contracted carrier and vendor partners, the Public Employees' Benefit Board (PEBB), the Oregon Health Authority, Oregon Health Policy Board, the Governor's Office, participating publicly funded entities and its 150,000-plus members.

Statutory Authority
OEBB was established by Senate Bill 426 (2007). House Bill 2279 (2013) expands participation eligibility to include local governments and special districts. The OEBB Board, functions and responsibilities are authorized by ORS 243.860 to 243.886.

Public Health

The Public Health Division's mission is to promote health and prevent the leading causes of death, disease and injury in Oregon. In addition to addressing the drivers of chronic illness such as tobacco and obesity, among other services the state public health programs ensure the safety of drinking water in public water systems, investigate disease outbreaks, respond to public health emergencies, license hospitals, and provide services to prevent unintended pregnancies. These programs and services serve all people in Oregon, including its most vulnerable populations.

The vision is lifelong health for all people in Oregon. To achieve this vision, public health has identified two main goals;

- To make Oregon one of the healthiest states
- To transform the state's public health system into a national model of excellence

To make Oregon one of the healthiest states, state public health is focusing on areas where there is the potential to make significant progress to improve the health of the population. Tobacco and obesity prevention are priorities. The programs are directly working to achieve outcomes, including supporting the achievement of 100 percent tobacco-free state properties and the establishment of a statewide nutrition policy for all state agencies, and statewide nutrition standards in procurement contracts.

Other areas of focus, all in the context of health equity, include reducing the incidence of heart disease and stroke and increasing survival of stroke patients; decreasing suicide (which kills more people than motor vehicle crashes in Oregon); preventing family violence, which causes a wide range of physical and mental health problems and also is a major factor in the development of chronic disease later in life for children exposed to violence; and increasing community resilience in public health emergencies.

Statutory Authority
Chapters 431 and 433 of Oregon Revised Statutes set forth hundreds of code sections enabling and mandating a wide range of public health activities carried out by state public health and its county partners.

Oregon State Hospital

Oregon State Hospital (OSH) is an essential part of the statewide behavioral health system, providing the highest level of psychiatric care for adults from all 36 counties. The hospital's primary goal is to help people recover from their mental illness and return to life in the community. Services in a secure setting promote public safety by treating people who are dangerous to themselves or others. The hospital works in partnership with the Oregon Health Authority, Health Systems Division (HSD), the Psychiatric Security Review Board (PSRB), regional hospitals, community mental health programs, advocacy groups and other community partners to deliver the right care, at the right time, in the right place.

OSH operates two campuses with the capacity to serve up to 794 Oregonians, with 620 beds in Salem and 174 beds in Junction City. Services are provided 24 hours per day, seven days a week. OSH currently operates 594 beds on the Salem campus and 100 beds in Junction City. Commitment types include:

- **Civil commitment/voluntary by guardian** – People who are dangerous to themselves or others, or who are unable to provide for their basic needs due to their mental illness. A subset of this population includes those who have significant co-occurring medical issues, such as those with dementia, Alzheimer’s or traumatic brain injury.
- **Guilty except for insanity** – People who committed a crime related to their mental illness. Depending on the nature of their crime, patients are under the jurisdiction of the PSRB or the State Hospital Review Panel (SHRP).

- **Aid and Assist** – People who have been charged with a crime but are unable to participate in in their trial due to their mental illness. The courts refer them to OSH under Oregon Revised Statute (ORS) 161.370 for "competency restoration" which is treatment that will help them understand the criminal charges against them and assist in their own defense.

Statutory Authority
The following ORS references provide OSH its authority:

- ORS 161.295-400 – Determination of fitness to proceed/commitment
- ORS 179.321 – Authority to operate, control, manage and supervise OSH campuses and state-delivered residential treatment facilities
- ORS 426 – Powers, duties, responsibilities of OHA
- ORS 443 – Residential treatment homes and facilities

OHA Shared Services

Office of Information Services (OIS) is a shared service provider for DHS and OHA. It provides information technology (IT) systems and services for nearly 16,000 agency and partner staff at 350 local offices, Oregon State Hospital locations, public health laboratories and testing services for county health departments, medical and military facilities, and other locations statewide.

OIS provides support for more than 17,000 desktop computers and 2,600 printers. The Service Desk responds to more than 14,000 service requests each month.

OIS provides information systems and services to DHS and OHA staff and partners statewide in support of programs that:

- Determine client eligibility
- Provide medical, housing, food and job assistance
- Provide addiction, mental health, and vocational and rehabilitative services
- Protect children, seniors and people with physical and developmental disabilities
- Process claims and benefits
- Manage provider licensing and state hospital facilities

- Promote and protect public health
- Respond to and coordinate statewide disasters and health emergencies, and support the Health Alert Network and emergency preparedness activities

OIS also supports partners around the state that use DHS and OHA systems. These include:

- State agencies including the Oregon Department of Justice Division of Child Support, the Oregon Employment Department and others
- Cities and counties
- District attorney's offices
- Private hospitals
- Other computer centers

Many of the IT systems used by DHS, OHA and agency partners are needed 24 hours a day, seven days a week.

Information Security and Privacy Office (ISPO) is a shared service office providing information security services for DHS and OHA. ISPO uses business risk management practices to protect confidential information assets and educate staff, volunteers and partners on how to protect this information and report incidents when they occur.

The ISPO drivers include federal and state security regulations and audit findings, contractual and grant obligations, DHS security policies and procedures, legislative mandates and the Oregon Consumer Identity Theft Protection Act.

ENVIRONMENTAL FACTORS

The OHA caseloads, cost of care, and budget are affected by the following factors:

- Economy – Poverty and unemployment
- Social issues – Untreated mental health and substance abuse, homelessness, and disparities
- State and federal policy – Health System Transformation, Medicaid match rates

Major revenue changes causing an increase in General Funds in the OHA 2017-19 Current Service Level budget include:

- Addition of $330 million from Medicaid match changes, including increased state costs to cover the Medicaid expansion population authorized under the Affordable Care Act
- Removal of a $195 million one-time investments of revenue included in the 2015-2017 budget
- Removal of $136 million because that federal investment under the Designated State Health Programs (DSHP) expires
- Reduction of $42 million in Tobacco Tax and Tobacco Master Settlement revenue

Several Policy Option Packages (POPs) highlight specific factors affecting the 2017-19 OHA programs:

- POP #403 – Hepatitis C Treatment Expansion POP requests significant funding to expand treatment coverage to Oregon Health Plan members for hepatitis C medications.
- POP #408 – Oregon Health Plan Demonstration (Waiver) Renewal POP requests significant funding for two emerging health care budget issues—breakthrough therapies and high-cost drugs.
- POP #411 – Public Health Modernization POP requests funding to address the significant program gaps identified in that public health assessment and build a sustainable infrastructure to support public health modernization long-term.

(See Policy Option Packages section for more details.)

ACCOMPLISHMENTS

OHA Organizational Restructure

At the beginning of the 2015-2017 biennium, OHA streamlined the agency by completing an organizational restructure and position true-up that:

- Further integrated programs and services to better deliver services to Oregonians
- Based on functional assessments, prioritized ongoing work within existing resources
- Resolved position authority for 48 long-term double fills needing resolution
- Resolved positon authority for 48 limited duration staff performing ongoing work
- Eliminated or repurposed 31 management positions
- Ultimately resulted in OHA needing two fewer two positions in its budget

Since its organizational restructure, OHA continues to diligently manage to its position authority and ensure it effectively controls overhead costs.

Health System Transformation

- Today, nearly 95 percent of Oregonians have health coverage. The Oregon Health Plan (OHP) provides 1.1 million Oregonians access to integrated physical, oral and behavioral health care. OHP is the state's largest health plan and covers nearly 28 percent of all Oregon residents.
- Ninety percent of OHP members are enrolled in Coordinated Care Organizations (CCOs), which receive incentives for improving quality and access for Oregonians.
- Through partnerships with CCOs, OHA has contained OHP cost growth to 3.4 percent per capita, saving $1.3 billion in state and federal dollars from 2013-2016.
- Health outcomes for OHP members have continued to improve, with reduced emergency room visits, reduced hospital readmissions, increased adolescent well-care visits, increased health assessments for children in foster care, and improved member satisfaction.
- OHA submitted the state's application to renew the Oregon Health Plan Medicaid demonstration for another five years.

Behavioral Health

- OHA finalized a plan with USDOJ to transform the care and delivery of behavioral health services to adult Oregonians struggling with severe and persistent mental illness.
- Health Systems Division launched the Behavioral Health System mapping tool on June 30, 2016, to inform policy and funding discussions during the 2017 legislative session.

ONE System Implementation

- The new online eligibility portal – ONE – has made it easier for Oregonians to determine if they are eligible and apply for OHP benefits.

Public Health

- In partnership with DEQ, OHA is creating health-based regulations for industrial air emissions for all Oregon communities.
- The rate of 2-year olds who are fully vaccinated has increased from 58 percent to 70 percent in the last two years
- Participation in school dental sealant programs has increased from just 8 percent in 2014-15 school year to 65 percent in 2015-16 school year for grades 6-8.
- OHA launched a pilot evidence-based campaign to prevent marijuana use among Oregon's youth.
- OHA completed a statewide assessment of public health capabilities.
- The Public Health Division received full national accreditation from the Public Health Accreditation Board.

MAJOR INFORMATION TECHNOLOGY PROJECTS/INITIATIVES

OIS expects to have several IT projects underway during the 2017-2019 biennium. The details of these projects are outlined in the IT Related Projects/Initiatives report in the Special Reports section.

Projects that are either partially or fully aligned with POPs in OHA and DHS Agency Request Budgets include:

- **MMIS Modularization** – POP #405 funds the planning effort to modularize Oregon's Medicaid Management Information System (MMIS) to align to federal mandates. The work for the 2017-2019 biennium includes defining Oregon's Medicaid Service Delivery strategic plan, assessing other states modularization approaches, identifying options for modular solutions, defining certification requirements as required by our federal partners, and begin procurement activities to secure modular solution components.
- **ONE Enhancements and Support Services** – POP #406 funds additional system enhancements and ongoing maintenance for Oregon's Modified Adjusted Gross Income (MAGI) Medicaid eligibility determination system, called ONE. The enhancement work includes changes required when our federal partners issue new requirements for MAGI Medicaid eligibility system, such as MARS-E 2.0 Security Compliance, as well as functionality prioritized by HSD Member Services staff and Medicaid policy staff to support process improvement.
- **Public Health Modernization** – POP #411 includes funding to support enhancements to Oregon's governmental public health IT systems and infrastructure. Improvements will increase the agency's ability to respond to emerging health needs and inform decision-making by upgrading outdated information systems needed to collect data on population health.

- **Integrated Eligibility Project** – POP #201 supports the implementation effort to extend the ONE System to include eligibility determinations for Non-MAGI Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Employment Related Day Care (ERDC) programs. The Integrated ONE System will provide a web-based, self-service, applicant portal, a web-based worker portal with automated workflows, automated eligibility processing, and interfaces with OHA and DHS benefits administration and case management systems.
- **Office of Health Information Technology (OHIT) Projects** – POP#409 would allow OHIT to collect fees to support three health information technology efforts in Oregon: the Oregon Common Credentialing Program as mandated by Senate Bill 604; the statewide Provider Directory; and the CareAccord program. Other Fund authority allows OHA to collect fees and spend those funds to cover these programs' operating costs.

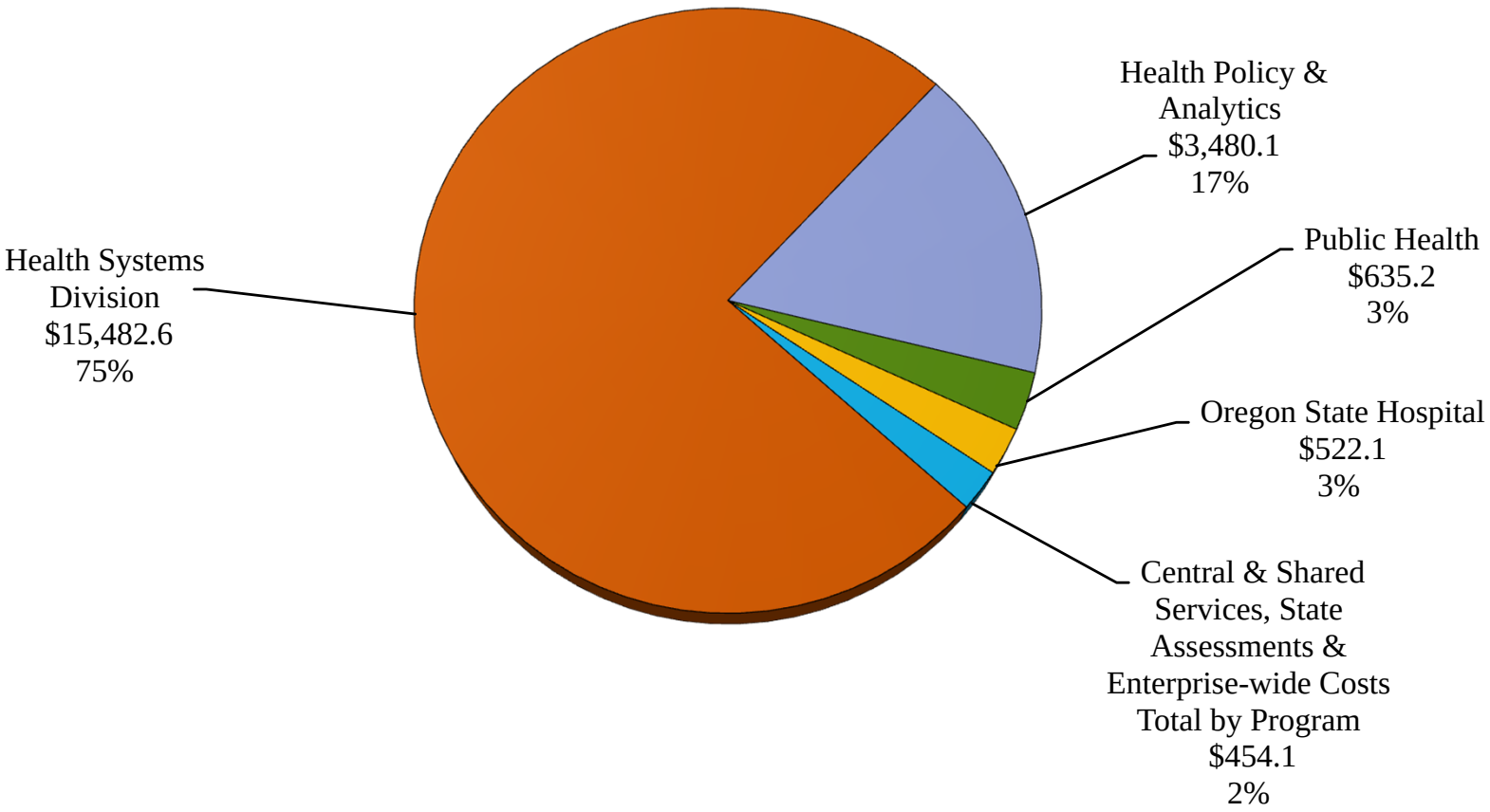
OIS continue the ongoing work for the following IT projects into the 2017-2019 biennium:

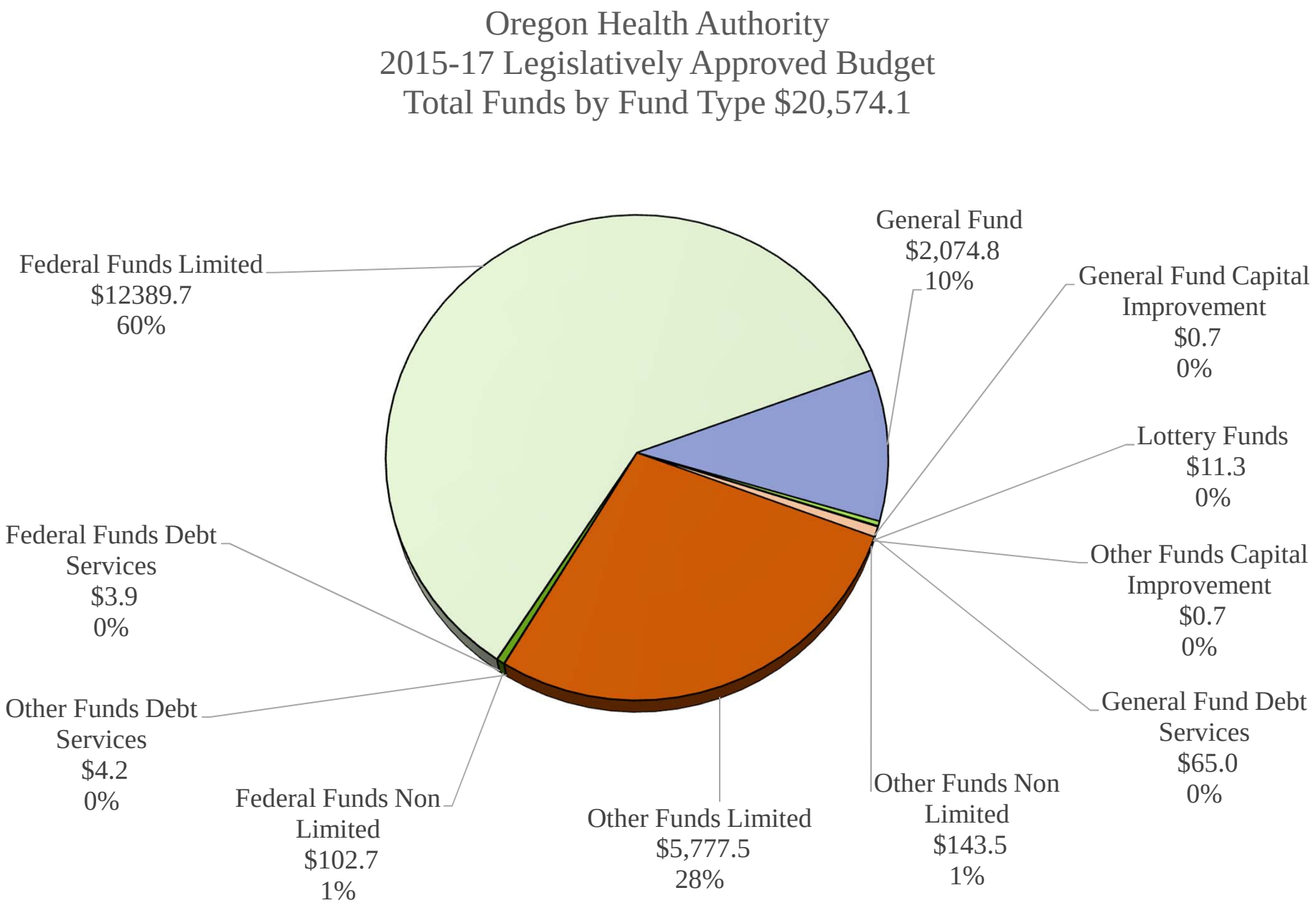
- **Centralized Abuse Management (CAM) System** – This ongoing Aging and Peoples with Disabilities (APD) project is developing and implementing a comprehensive multi-program centralized abuse management system for the Office of Adult Abuse Prevention and Investigations (OAAPI). The system will capture abuse allegations and investigations from intake and screening through investigation, case closure and referrals, documentation, and support abuse management oversight and inquiries. Completion of this system will provide a single repository for information and will replace the nine distinct system or data sources currently in use.
- **CAREAssist Application** – This ongoing Public Health Division project is developing a new CAREAssist web-based application system to address the current system's shortcomings, increase functionality, and improve client experience. This project will bring the state into compliance and develop a long term solution.
- **Tracking Home visiting Effectiveness in Oregon (THEO)** – This ongoing Public Health Division project is developing an interoperable and scalable home visiting data collection, case management and reporting system.
- **Provider Time Capture (PTC)** – This ongoing project is to enable DHS and OHA to capture accurate time, attendance, and travel time for home community workers and personal care workers (HCWs/PSWs) across programs. DHS and OHA are considered joint employers and their HCW/PSW programs must be modified to comply with the U.S. Department of Labor's (USDOL) Fair Labor Standards Act (FLSA). This system will enable DHS and OHA to keep the required records

for each HCW/PSW who provide personal and home care assistance to older adults, people with disabilities and additions, and mental health clients.

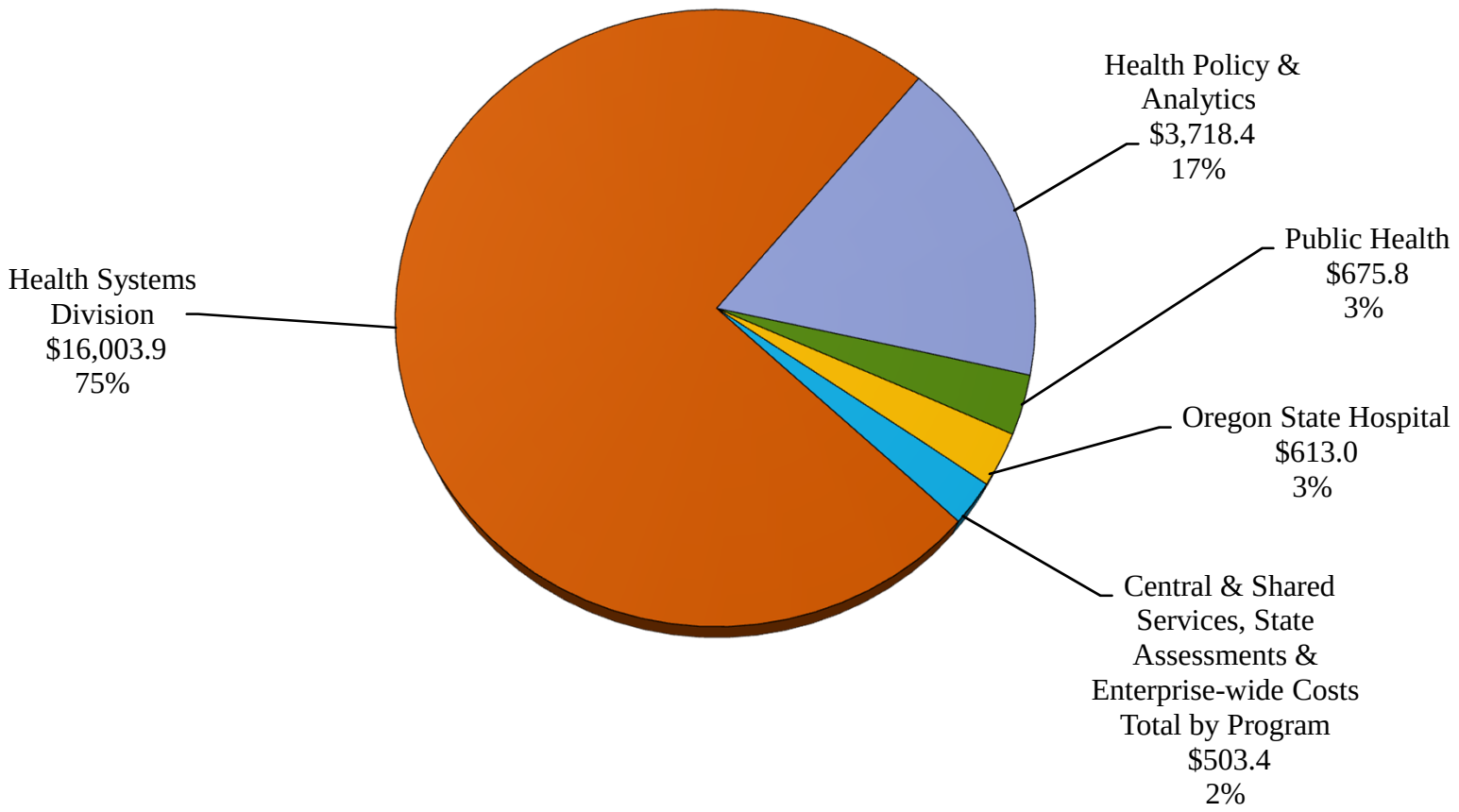
The other OIS projects on the OHA IT Related Projects/Initiatives report are in their pre-initiative stage.

Oregon Health Authority
2015-17 Legislatively Approved Budget
Total Funds by Program Area
$20,574.1

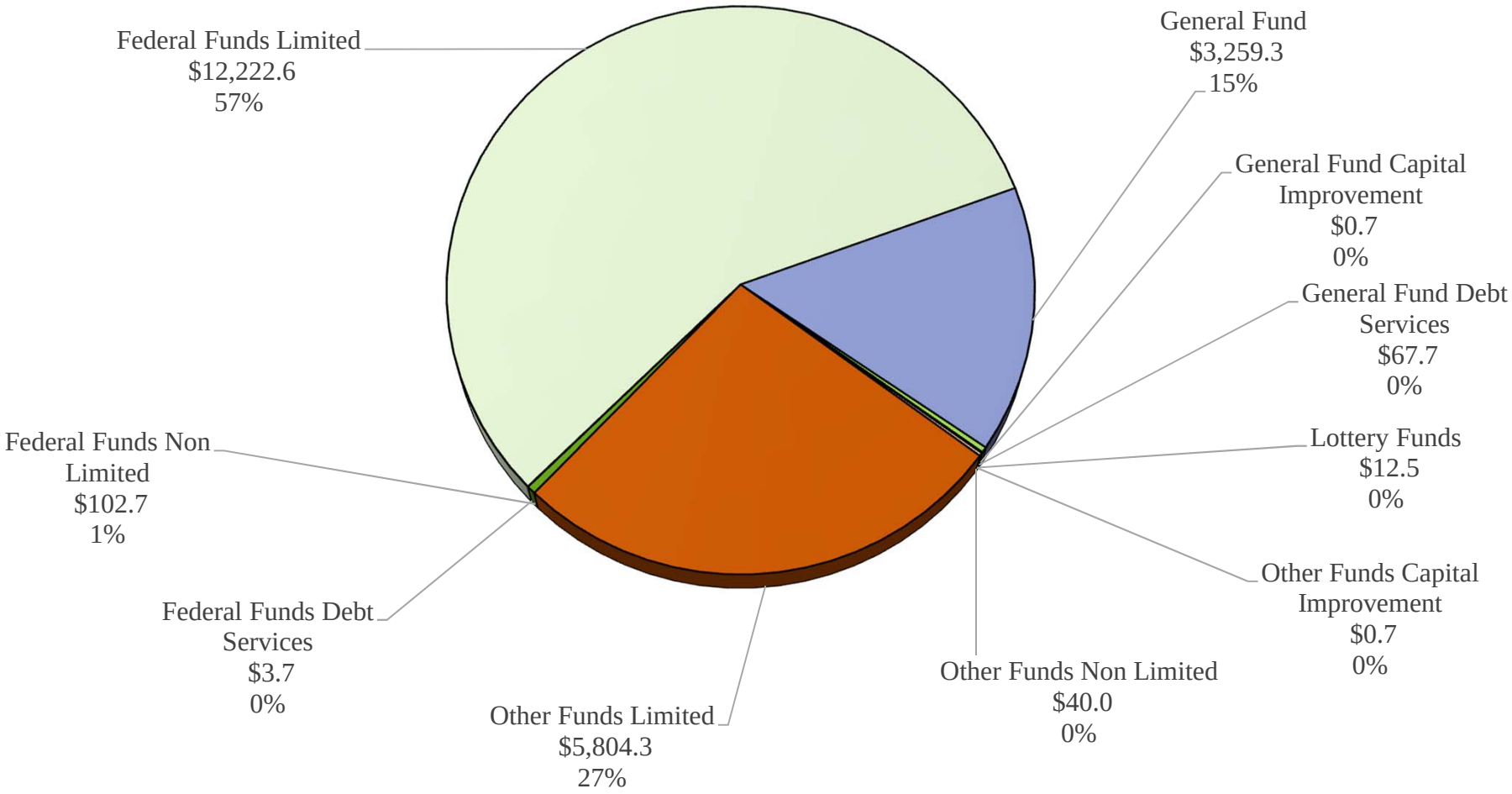



Oregon Health Authority
2015-17 Legislatively Approved Budget
Total Funds by Fund Type $20,574.1
General Fund
$2,074.8
10%
General Fund Capital Improvement
$0.7
0%
Lottery Funds
$11.3
0%
Other Funds Capital Improvement
$0.7
0%
General Fund Debt Services
$65.0
0%
Other Funds Non Limited
$143.5
1%
Other Funds Limited
$5,777.5
28%
Federal Funds Non Limited
$102.7
1%
Other Funds Debt Services
$4.2
0%
Federal Funds Debt Services
$3.9
0%
Federal Funds Limited
$12389.7
60%

Oregon Health Authority 2017-19
Agency Request Budget Total Funds
by Program Area $21514.3



Oregon Health Authority
2017-19 Agency Request Budget Total Funds
by Fund Type $21,514.3



Summary of 2017-19 Biennium Budget

Oregon Health Authority
Oregon Health Authority
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-000-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	4,428	4,361.01	19,466,370,129	2,120,607,875	11,292,544	5,683,377,776	11,400,938,911	143,500,000	106,653,023
2015-17 Emergency Boards	21	22.88	1,106,683,216	19,356,538	56,209	98,917,856	988,352,613	-	-
2015-17 Leg Approved Budget	**4,449**	**4,383.89**	**20,573,053,345**	**2,139,964,413**	**11,348,753**	**5,782,295,632**	12,389,291,524	**143,500,000**	**106,653,023**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(49)	(11.39)	40,995,501	29,836,419	37,785	8,810,019	2,311,278	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			(1,707,045)	2,695,030	-	(4,197,413)	-	-	(204,662)
Base Nonlimited Adjustment			(103,500,000)	-	-	-	-	(103,500,000)	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**4,400**	**4,372.50**	**20,508,841,801**	**2,172,495,862**	**11,386,538**	**5,786,908,238**	12,391,602,802	**40,000,000**	**106,448,361**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	9,187,345	6,598,629	(2,661)	1,907,163	684,214	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	5,724,783	3,140,027	7,386	1,572,104	1,005,266	-	-
Subtotal	**-**	**-**	**14,912,128**	**9,738,656**	**4,725**	**3,479,267**	1,689,480	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	380	369.34	98,477,907	77,233,757	684,798	3,571,710	16,987,642	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(167,269,595)	9,601,013	-	(12,799,272)	(164,071,336)	-	-
Subtotal	**380**	**369.34**	**(68,791,688)**	**86,834,770**	**684,798**	**(9,227,562)**	(147,083,694)	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	1,272,802,721	96,208,060	380,543	366,540,431	809,673,687	-	-
State Gov"t & Services Charges Increase/(Decrease)			3,071,302	2,772,818	-	391,503	(93,019)	-	-

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
Subtotal	**-**	**-**	**1,275,874,023**	**98,980,878**	**380,543**	**366,931,934**	809,580,668	**-**	**-**
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	(929,921,158)	5,862,235	-	(5,589,194)	(930,194,199)	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	770,919,920	-	(440,281,619)	(330,638,301)	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	**4,780**	**4,741.84**	**20,800,915,106**	**3,144,832,321**	**12,456,604**	**5,702,221,064**	11,794,956,756	**40,000,000**	**106,448,361**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2017-19 Current Service Level	**4,780**	**4,741.84**	**20,800,915,106**	**3,144,832,321**	**12,456,604**	**5,702,221,064**	11,794,956,756	**40,000,000**	**106,448,361**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	(5)	(5.00)	(5,486,464)	-	-	(5,486,464)	-	-	-
Modified 2017-19 Current Service Level	**4,775**	**4,736.84**	**20,795,428,642**	**3,144,832,321**	**12,456,604**	**5,696,734,600**	11,794,956,756	**40,000,000**	**106,448,361**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	22	19.75	10,762,599	-	-	10,762,599	-	-	-
202 - ISPO Investments	4	4.00	1,339,230	211,454	-	1,026,234	101,542	-	-
203 - SOS Performance Audits	-	-	-	1,364,312	-	(380,815)	(983,497)	-	-
204 - OPAR Position Reconciliation and True-up	-	-	987,726	493,863	-	-	493,863	-	-
205 - Background Check Unit Workload	-	-	341,434	221,932	-	37,558	81,944	-	-
206 - FMLA / OFLA	-	-	98,923	64,300	-	10,882	23,741	-	-
401 - Cleaner Air Oregon Initiative	-	-	250,705	989,185	-	(217,741)	(520,739)	-	-
402 - Enhance OHA Office of Program Integrity	7	6.16	7,231,496	1,566,735	-	2,050,000	3,614,761	-	-
403 - Hepatitis C Treatment Expansion	-	-	261,939,130	42,623,093	-	19,129,530	200,186,507	-	-
404 - Juvenile Fitness to Proceed	-	-	(438,984)	(438,984)	-	-	-	-	-
405 - MMIS Modularization	9	9.00	5,631,643	367,739	-	2,022,391	3,241,513	-	-
406 - ONE System Enhancements	-	-	12,800,000	1,283,680	-	-	11,516,320	-	-
407 - OHP Coverage for All Kids	-	-	55,030,483	55,030,483	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	286,514,170	58,116,974	-	18,900,000	209,497,196	-	-
409 - OHA Fee Changes	5	5.00	24,318,007	-	-	24,318,007	-	-	-

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
410 - Oregon State Hospital Improvements	83	83.00	20,433,264	(10,355,765)	-	30,789,029	-	-	-
411 - Public Health Modernization	-	-	28,702,099	30,000,000	-	(485,369)	(812,532)	-	-
412 - SGSC & Telecomm Exceptions	-	-	2,976,307	1,390,305	-	363,041	1,222,961	-	-
Subtotal Policy Packages	**130**	**126.91**	**718,918,232**	**182,929,306**	**-**	**108,325,346**	427,663,580	**-**	**-**
Total 2017-19 Agency Request Budget	**4,905**	**4,863.75**	**21,514,346,874**	**3,327,761,627**	**12,456,604**	**5,805,059,946**	12,222,620,336	**40,000,000**	**106,448,361**
Percentage Change From 2015-17 Leg Approved Budget	10.25%	10.95%	4.58%	55.51%	9.76%	0.39%	-1.35%	-72.13%	-0.19%
Percentage Change From 2017-19 Current Service Level	2.62%	2.57%	3.43%	5.82%	-	1.80%	3.63%	-	-

Summary of 2017-19 Biennium Budget

Oregon Health Authority
OHA Central & Shared Services
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-010-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	551	532.61	400,282,086	163,896,350	-	163,863,934	68,597,830	-	3,923,972
2015-17 Emergency Boards	56	50.75	52,735,753	17,692,321	-	17,125,809	17,917,623	-	-
2015-17 Leg Approved Budget	**607**	**583.36**	**453,017,839**	**181,588,671**	**-**	**180,989,743**	86,515,453	**-**	**3,923,972**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(7)	6.00	7,952,120	1,691,704	-	4,928,279	1,332,137	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			(1,707,045)	2,695,030	-	(4,197,413)	-	-	(204,662)
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**600**	**589.36**	**459,262,914**	**185,975,405**	**-**	**181,720,609**	87,847,590	**-**	**3,719,310**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	1,587,136	115,030	-	1,378,486	93,620	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	(959,479)	(1,842,904)	-	638,554	244,871	-	-
Subtotal	**-**	**-**	**627,657**	**(1,727,874)**	**-**	**2,017,040**	338,491	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	9,064,416	2,243,141	-	257,936	6,563,339	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(175,000)	(175,000)	-	-	-	-	-
Subtotal	**-**	**-**	**8,889,416**	**2,068,141**	**-**	**257,936**	6,563,339	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	12,703,927	5,562,545	-	3,195,143	3,946,239	-	-
State Gov"t & Services Charges Increase/(Decrease)			3,071,302	2,772,818	-	391,503	(93,019)	-	-

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
Subtotal	**-**	**-**	**15,775,229**	**8,335,363**	**-**	**3,586,646**	3,853,220	**-**	**-**
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	40,992	-	-	40,992	-	-	-
Subtotal: 2017-19 Current Service Level	**600**	**589.36**	**484,596,208**	**194,651,035**	**-**	**187,623,223**	98,602,640	**-**	**3,719,310**

Summary of 2017-19 Biennium Budget

Oregon Health Authority
OHA Central & Shared Services
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-010-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2017-19 Current Service Level	**600**	**589.36**	**484,596,208**	**194,651,035**	**-**	**187,623,223**	98,602,640	**-**	**3,719,310**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**600**	**589.36**	**484,596,208**	**194,651,035**	**-**	**187,623,223**	98,602,640	**-**	**3,719,310**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	22	19.75	10,762,599	-	-	10,762,599	-	-	-
202 - ISPO Investments	4	4.00	1,339,230	211,454	-	1,026,234	101,542	-	-
203 - SOS Performance Audits	-	-	-	1,364,312	-	(380,815)	(983,497)	-	-
204 - OPAR Position Reconciliation and True-up	-	-	987,726	493,863	-	-	493,863	-	-
205 - Background Check Unit Workload	-	-	341,434	221,932	-	37,558	81,944	-	-
206 - FMLA / OFLA	-	-	98,923	64,300	-	10,882	23,741	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	9	9.00	2,254,404	23,201	-	2,022,391	208,812	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	2,976,307	1,390,305	-	363,041	1,222,961	-	-
Subtotal Policy Packages	**35**	**32.75**	**18,760,623**	**3,769,367**	**-**	**13,841,890**	1,149,366	**-**	**-**
Total 2017-19 Agency Request Budget	**635**	**622.11**	**503,356,831**	**198,420,402**	**-**	**201,465,113**	99,752,006	**-**	**3,719,310**
Percentage Change From 2015-17 Leg Approved Budget	4.61%	6.64%	11.11%	9.27%	-	11.31%	15.30%	-	-5.22%
Percentage Change From 2017-19 Current Service Level	5.83%	5.56%	3.87%	1.94%	-	7.38%	1.17%	-	-

Summary of 2017-19 Biennium Budget

Oregon Health Authority
OHA Central Services
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-010-40-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	69	67.43	22,167,236	13,436,943	-	1,278,042	7,452,251	-	-
2015-17 Emergency Boards	52	48.55	13,526,389	6,056,737	-	1,660,578	5,809,074	-	-
2015-17 Leg Approved Budget	**121**	**115.98**	**35,693,625**	**19,493,680**	**-**	**2,938,620**	13,261,325	**-**	**-**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	3.63	3,314,056	1,691,704	-	290,215	1,332,137	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**121**	**119.61**	**39,007,681**	**21,185,384**	**-**	**3,228,835**	14,593,462	**-**	**-**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	215,232	115,030	-	6,582	93,620	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	548,839	226,398	-	81,786	240,655	-	-
Subtotal	**-**	**-**	**764,071**	**341,428**	**-**	**88,368**	334,275	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(175,000)	(175,000)	-	-	-	-	-
Subtotal	**-**	**-**	**(175,000)**	**(175,000)**	**-**	**-**	-	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	672,676	443,815	-	39,664	189,197	-	-
Subtotal	**-**	**-**	**672,676**	**443,815**	**-**	**39,664**	189,197	**-**	**-**

Oregon Health Authority
OHA Central Services
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-010-40-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	**121**	**119.61**	**40,269,428**	**21,795,627**	**-**	**3,356,867**	15,116,934	**-**	**-**

Oregon Health Authority
OHA Central Services
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-010-40-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
Subtotal: 2017-19 Current Service Level	**121**	**119.61**	**40,269,428**	**21,795,627**	**-**	**3,356,867**	15,116,934	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**121**	**119.61**	**40,269,428**	**21,795,627**	**-**	**3,356,867**	15,116,934	**-**	**-**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	-	-	-	-	-	-	-	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Total 2017-19 Agency Request Budget	**121**	**119.61**	**40,269,428**	**21,795,627**	**-**	**3,356,867**	15,116,934	**-**	**-**
Percentage Change From 2015-17 Leg Approved Budget	-	3.13%	12.82%	11.81%	-	14.23%	13.99%	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

Oregon Health Authority
OHA Shared Services
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-010-45-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
2015-17 Leg Adopted Budget	482	465.18	137,823,428	-	-	137,823,428	-	-	-
2015-17 Emergency Boards	4	2.20	6,462,868	-	-	6,462,868	-	-	-
2015-17 Leg Approved Budget	**486**	**467.38**	**144,286,296**	**-**	**-**	**144,286,296**	-	**-**	**-**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(7)	2.37	4,638,064	-	-	4,638,064	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**479**	**469.75**	**148,924,360**	**-**	**-**	**148,924,360**	-	**-**	**-**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	1,371,904	-	-	1,371,904	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	849,673	-	-	849,673	-	-	-
Subtotal	**-**	**-**	**2,221,577**	**-**	**-**	**2,221,577**	-	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	57,186	-	-	57,186	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**57,186**	**-**	**-**	**57,186**	-	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	1,336,598	-	-	1,336,598	-	-	-
Subtotal	**-**	**-**	**1,336,598**	**-**	**-**	**1,336,598**	-	**-**	**-**

Oregon Health Authority
OHA Shared Services
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-010-45-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	**479**	**469.75**	**152,539,721**	**-**	**-**	**152,539,721**	-	**-**	**-**

Oregon Health Authority
OHA Shared Services
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-010-45-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
Subtotal: 2017-19 Current Service Level	**479**	**469.75**	**152,539,721**	**-**	**-**	**152,539,721**	-	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**479**	**469.75**	**152,539,721**	**-**	**-**	**152,539,721**	-	**-**	**-**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	22	19.75	10,762,599	-	-	10,762,599	-	-	-
202 - ISPO Investments	4	4.00	932,316	-	-	932,316	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	9	9.00	2,022,391	-	-	2,022,391	-	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**35**	**32.75**	**13,717,306**	**-**	**-**	**13,717,306**	-	**-**	**-**
Total 2017-19 Agency Request Budget	**514**	**502.50**	**166,257,027**	**-**	**-**	**166,257,027**	-	**-**	**-**
Percentage Change From 2015-17 Leg Approved Budget	5.76%	7.51%	15.23%	-	-	15.23%	-	-	-
Percentage Change From 2017-19 Current Service Level	7.31%	6.97%	8.99%	-	-	8.99%	-	-	-

Summary of 2017-19 Biennium Budget

Oregon Health Authority | **Agency Request Budget**
State Assessments and Enterprise-wide Costs | **Cross Reference Number: 44300-010-50-00-00000**
2017-19 Biennium

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	-	-	240,291,422	150,459,407	-	24,762,464	61,145,579	-	3,923,972
2015-17 Emergency Boards	-	-	32,746,496	11,635,584	-	9,002,363	12,108,549	-	-
2015-17 Leg Approved Budget	**-**	**-**	**273,037,918**	**162,094,991**	**-**	**33,764,827**	73,254,128	**-**	**3,923,972**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			(1,707,045)	2,695,030	-	(4,197,413)	-	-	(204,662)
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**-**	**-**	**271,330,873**	**164,790,021**	**-**	**29,567,414**	73,254,128	**-**	**3,719,310**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	(2,357,991)	(2,069,302)	-	(292,905)	4,216	-	-
Subtotal	**-**	**-**	**(2,357,991)**	**(2,069,302)**	**-**	**(292,905)**	4,216	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	9,007,230	2,243,141	-	200,750	6,563,339	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**9,007,230**	**2,243,141**	**-**	**200,750**	6,563,339	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	10,694,653	5,118,730	-	1,818,881	3,757,042	-	-
State Gov"t & Services Charges Increase/(Decrease)			3,071,302	2,772,818	-	391,503	(93,019)	-	-
Subtotal	**-**	**-**	**13,765,955**	**7,891,548**	**-**	**2,210,384**	3,664,023	**-**	**-**

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	40,992	-	-	40,992	-	-	-
Subtotal: 2017-19 Current Service Level	**-**	**-**	**291,787,059**	**172,855,408**	**-**	**31,726,635**	83,485,706	**-**	**3,719,310**

Oregon Health Authority
State Assessments and Enterprise-wide Costs
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-010-50-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
Subtotal: 2017-19 Current Service Level	**-**	**-**	**291,787,059**	**172,855,408**	**-**	**31,726,635**	83,485,706	**-**	**3,719,310**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**-**	**-**	**291,787,059**	**172,855,408**	**-**	**31,726,635**	83,485,706	**-**	**3,719,310**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	406,914	211,454	-	93,918	101,542	-	-
203 - SOS Performance Audits	-	-	-	1,364,312	-	(380,815)	(983,497)	-	-
204 - OPAR Position Reconciliation and True-up	-	-	987,726	493,863	-	-	493,863	-	-
205 - Background Check Unit Workload	-	-	341,434	221,932	-	37,558	81,944	-	-
206 - FMLA / OFLA	-	-	98,923	64,300	-	10,882	23,741	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	-	-	232,013	23,201	-	-	208,812	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	2,976,307	1,390,305	-	363,041	1,222,961	-	-
Subtotal Policy Packages	**-**	**-**	**5,043,317**	**3,769,367**	**-**	**124,584**	1,149,366	**-**	**-**
Total 2017-19 Agency Request Budget	**-**	**-**	**296,830,376**	**176,624,775**	**-**	**31,851,219**	84,635,072	**-**	**3,719,310**
Percentage Change From 2015-17 Leg Approved Budget	-	-	8.71%	8.96%	-	-5.67%	15.54%	-	-5.22%
Percentage Change From 2017-19 Current Service Level	-	-	1.73%	2.18%	-	0.39%	1.38%	-	-

Summary of 2017-19 Biennium Budget

Oregon Health Authority
OHA Programs
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-020-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	3,877	3,828.40	19,064,688,813	1,956,011,910	11,292,544	5,518,814,227	11,332,341,081	143,500,000	102,729,051
2015-17 Emergency Boards	(3,877)	(3,828.36)	(19,064,688,813)	(1,956,011,910)	(11,292,544)	(5,518,814,227)	(11,332,341,081)	(143,500,000)	(102,729,051)
2015-17 Leg Approved Budget	**-**	**0.04**	**-**	**-**	**-**	**-**	-	**-**	**-**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	(0.04)	-	-	-	-	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
040 - Mandated Caseload									

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**

Oregon Health Authority
OHA Programs
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-020-00-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	-	-	-	-	-	-	-	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Total 2017-19 Agency Request Budget	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Percentage Change From 2015-17 Leg Approved Budget	-	-100.00%	-	-	-	-	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

Oregon Health Authority
Medical Assistance Programs
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-020-01-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	518	509.35	13,695,093,529	1,111,847,789	-	1,890,978,714	10,692,267,026	-	-
2015-17 Emergency Boards	(518)	(509.35)	(13,695,093,529)	(1,111,847,789)	-	(1,890,978,714)	(10,692,267,026)	-	-
2015-17 Leg Approved Budget	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
040 - Mandated Caseload									

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**

Oregon Health Authority
Medical Assistance Programs
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-020-01-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	-	-	-	-	-	-	-	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Total 2017-19 Agency Request Budget	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Percentage Change From 2015-17 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

Oregon Health Authority
Public Employees Benefit Board (PEBB)
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-020-02-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
2015-17 Leg Adopted Budget	22	21.50	1,783,578,908	-	-	1,783,578,908	-	-	-
2015-17 Emergency Boards	(22)	(21.50)	(1,783,578,908)	-	-	(1,783,578,908)	-	-	-
2015-17 Leg Approved Budget	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
040 - Mandated Caseload									

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**

Oregon Health Authority
Public Employees Benefit Board (PEBB)
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-020-02-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	-	-	-	-	-	-	-	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Total 2017-19 Agency Request Budget	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Percentage Change From 2015-17 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2017-19 Biennium Budget

Oregon Health Authority | **Agency Request Budget**
Oregon Educators Benefit Board (OEBB) | **Cross Reference Number: 44300-020-03-00-00000**
2017-19 Biennium

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	25	25.00	1,557,774,757	-	-	1,557,774,757	-	-	-
2015-17 Emergency Boards	(25)	(25.00)	(1,557,774,757)	-	-	(1,557,774,757)	-	-	-
2015-17 Leg Approved Budget	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
040 - Mandated Caseload									

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**

Oregon Health Authority | **Agency Request Budget**
Oregon Educators Benefit Board (OEBB) | **Cross Reference Number: 44300-020-03-00-00000**
2017-19 Biennium

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	-	-	-	-	-	-	-	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Total 2017-19 Agency Request Budget	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Percentage Change From 2015-17 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

Oregon Health Authority
Private Health Partnerships
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-020-04-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
2015-17 Leg Adopted Budget	-	-	104,201,884	-	-	701,884	-	103,500,000	-
2015-17 Emergency Boards	-	-	(104,201,884)	-	-	(701,884)	-	(103,500,000)	-
2015-17 Leg Approved Budget	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
040 - Mandated Caseload									

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**

Oregon Health Authority
Private Health Partnerships
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-020-04-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	-	-	-	-	-	-	-	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Total 2017-19 Agency Request Budget	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Percentage Change From 2015-17 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	2,393	2,384.97	1,172,585,384	782,731,632	11,292,544	106,675,754	271,885,454	-	-
2015-17 Emergency Boards	(2,393)	(2,384.97)	(1,172,585,384)	(782,731,632)	(11,292,544)	(106,675,754)	(271,885,454)	-	-
2015-17 Leg Approved Budget	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
040 - Mandated Caseload									

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**

Oregon Health Authority
Addictions and Mental Health Program
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-020-05-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	-	-	-	-	-	-	-	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Total 2017-19 Agency Request Budget	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Percentage Change From 2015-17 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2017-19 Biennium Budget

Oregon Health Authority
Public Health Program
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-020-06-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	753	728.42	606,756,342	42,004,433	-	168,719,680	253,303,178	40,000,000	102,729,051
2015-17 Emergency Boards	(753)	(728.38)	(606,756,342)	(42,004,433)	-	(168,719,680)	(253,303,178)	(40,000,000)	(102,729,051)
2015-17 Leg Approved Budget	**-**	**0.04**	**-**	**-**	**-**	**-**	-	**-**	**-**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	(0.04)	-	-	-	-	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
040 - Mandated Caseload									

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**

Oregon Health Authority
Public Health Program
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-020-06-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	-	-	-	-	-	-	-	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Oregon Health Authority
Public Health Program
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-020-06-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Total 2017-19 Agency Request Budget	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Percentage Change From 2015-17 Leg Approved Budget	-	-100.00%	-	-	-	-	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2017-19 Biennium Budget

Oregon Health Authority
Health Licensing Office
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-020-07-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	34	33.28	7,232,059	-	-	7,232,059	-	-	-
2015-17 Emergency Boards	(34)	(33.28)	(7,232,059)	-	-	(7,232,059)	-	-	-
2015-17 Leg Approved Budget	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
040 - Mandated Caseload									

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**

Oregon Health Authority
Health Licensing Office
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-020-07-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	-	-	-	-	-	-	-	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Total 2017-19 Agency Request Budget	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Percentage Change From 2015-17 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2017-19 Biennium Budget

Oregon Health Authority
Health Policy Programs
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-020-08-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	132	125.88	137,465,950	19,428,056	-	3,152,471	114,885,423	-	-
2015-17 Emergency Boards	(132)	(125.88)	(137,465,950)	(19,428,056)	-	(3,152,471)	(114,885,423)	-	-
2015-17 Leg Approved Budget	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
040 - Mandated Caseload									

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**

Oregon Health Authority
Health Policy Programs
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-020-08-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	-	-	-	-	-	-	-	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Total 2017-19 Agency Request Budget	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Percentage Change From 2015-17 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2017-19 Biennium Budget

Oregon Health Authority
Health Systems Programs
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-030-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	-	-	-	-	-	-	-	-	-
2015-17 Emergency Boards	3,842	3,800.49	20,120,035,506	1,958,375,742	11,348,753	5,601,305,889	12,302,776,071	143,500,000	102,729,051
2015-17 Leg Approved Budget	**3,842**	**3,800.49**	**20,120,035,506**	**1,958,375,742**	**11,348,753**	**5,601,305,889**	12,302,776,071	**143,500,000**	**102,729,051**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(42)	(17.35)	33,043,381	28,144,715	37,785	3,881,740	979,141	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			(103,500,000)	-	-	-	-	(103,500,000)	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**3,800**	**3,783.14**	**20,049,578,887**	**1,986,520,457**	**11,386,538**	**5,605,187,629**	12,303,755,212	**40,000,000**	**102,729,051**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	7,600,209	6,483,599	(2,661)	528,677	590,594	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	6,684,262	4,982,931	7,386	933,550	760,395	-	-
Subtotal	**-**	**-**	**14,284,471**	**11,466,530**	**4,725**	**1,462,227**	1,350,989	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	380	369.34	89,413,491	74,990,616	684,798	3,313,774	10,424,303	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(167,094,595)	9,776,013	-	(12,799,272)	(164,071,336)	-	-
Subtotal	**380**	**369.34**	**(77,681,104)**	**84,766,629**	**684,798**	**(9,485,498)**	(153,647,033)	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	1,260,098,794	90,645,515	380,543	363,345,288	805,727,448	-	-
Subtotal	**-**	**-**	**1,260,098,794**	**90,645,515**	**380,543**	**363,345,288**	805,727,448	**-**	**-**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	(929,921,158)	5,862,235	-	(5,589,194)	(930,194,199)	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	770,919,920	-	(440,281,619)	(330,638,301)	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	(40,992)	-	-	(40,992)	-	-	-
Subtotal: 2017-19 Current Service Level	**4,180**	**4,152.48**	**20,316,318,898**	**2,950,181,286**	**12,456,604**	**5,514,597,841**	11,696,354,116	**40,000,000**	**102,729,051**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2017-19 Current Service Level	**4,180**	**4,152.48**	**20,316,318,898**	**2,950,181,286**	**12,456,604**	**5,514,597,841**	11,696,354,116	**40,000,000**	**102,729,051**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	(5)	(5.00)	(5,486,464)	-	-	(5,486,464)	-	-	-
Modified 2017-19 Current Service Level	**4,175**	**4,147.48**	**20,310,832,434**	**2,950,181,286**	**12,456,604**	**5,509,111,377**	11,696,354,116	**40,000,000**	**102,729,051**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	250,705	989,185	-	(217,741)	(520,739)	-	-
402 - Enhance OHA Office of Program Integrity	7	6.16	7,231,496	1,566,735	-	2,050,000	3,614,761	-	-
403 - Hepatitis C Treatment Expansion	-	-	261,939,130	42,623,093	-	19,129,530	200,186,507	-	-
404 - Juvenile Fitness to Proceed	-	-	(438,984)	(438,984)	-	-	-	-	-
405 - MMIS Modularization	-	-	3,377,239	344,538	-	-	3,032,701	-	-
406 - ONE System Enhancements	-	-	12,800,000	1,283,680	-	-	11,516,320	-	-
407 - OHP Coverage for All Kids	-	-	55,030,483	55,030,483	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	286,514,170	58,116,974	-	18,900,000	209,497,196	-	-
409 - OHA Fee Changes	5	5.00	24,318,007	-	-	24,318,007	-	-	-

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
410 - Oregon State Hospital Improvements	83	83.00	20,433,264	(10,355,765)	-	30,789,029	-	-	-
411 - Public Health Modernization	-	-	28,702,099	30,000,000	-	(485,369)	(812,532)	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**95**	**94.16**	**700,157,609**	**179,159,939**	**-**	**94,483,456**	426,514,214	**-**	**-**
Total 2017-19 Agency Request Budget	**4,270**	**4,241.64**	**21,010,990,043**	**3,129,341,225**	**12,456,604**	**5,603,594,833**	12,122,868,330	**40,000,000**	**102,729,051**
Percentage Change From 2015-17 Leg Approved Budget	11.14%	11.61%	4.43%	59.79%	9.76%	0.04%	-1.46%	-72.13%	-
Percentage Change From 2017-19 Current Service Level	2.15%	2.15%	3.42%	6.07%	-	1.61%	3.65%	-	-

Summary of 2017-19 Biennium Budget

Oregon Health Authority
Health Systems Division
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-030-01-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	-	-	-	-	-	-	-	-	-
2015-17 Emergency Boards	612	603.93	15,482,623,094	1,444,762,259	11,348,753	2,050,193,022	11,872,819,060	103,500,000	-
2015-17 Leg Approved Budget	**612**	**603.93**	**15,482,623,094**	**1,444,762,259**	**11,348,753**	**2,050,193,022**	11,872,819,060	**103,500,000**	**-**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(2)	(1.83)	653,435	1,605,808	37,785	(644,618)	(345,540)	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			(103,500,000)	-	-	-	-	(103,500,000)	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**610**	**602.10**	**15,379,776,529**	**1,446,368,067**	**11,386,538**	**2,049,548,404**	11,872,473,520	**-**	**-**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	(544,068)	(273,274)	(2,661)	7,489	(275,622)	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	700,170	181,082	7,386	(63,827)	575,529	-	-
Subtotal	**-**	**-**	**156,102**	**(92,192)**	**4,725**	**(56,338)**	299,907	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	188	188.00	29,086,673	23,864,073	684,798	2,816,907	1,720,895	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(126,425,041)	13,065,516	-	(11,213,197)	(128,277,360)	-	-
Subtotal	**188**	**188.00**	**(97,338,368)**	**36,929,589**	**684,798**	**(8,396,290)**	(126,556,465)	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	1,028,100,378	86,661,787	380,543	138,589,839	802,468,209	-	-
Subtotal	**-**	**-**	**1,028,100,378**	**86,661,787**	**380,543**	**138,589,839**	802,468,209	**-**	**-**

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	(929,921,158)	5,862,235	-	(5,589,194)	(930,194,199)	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	770,919,920	-	(440,281,619)	(330,638,301)	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	**798**	**790.10**	**15,380,773,483**	**2,346,649,406**	**12,456,604**	**1,733,814,802**	11,287,852,671	**-**	**-**

Summary of 2017-19 Biennium Budget

Oregon Health Authority
Health Systems Division
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-030-01-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2017-19 Current Service Level	**798**	**790.10**	**15,380,773,483**	**2,346,649,406**	**12,456,604**	**1,733,814,802**	11,287,852,671	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	(3,301,600)	-	-	(3,301,600)	-	-	-
Modified 2017-19 Current Service Level	**798**	**790.10**	**15,377,471,883**	**2,346,649,406**	**12,456,604**	**1,730,513,202**	11,287,852,671	**-**	**-**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	7	6.16	7,231,496	1,566,735	-	2,050,000	3,614,761	-	-
403 - Hepatitis C Treatment Expansion	-	-	261,939,130	42,623,093	-	19,129,530	200,186,507	-	-
404 - Juvenile Fitness to Proceed	-	-	(438,984)	(438,984)	-	-	-	-	-
405 - MMIS Modularization	-	-	3,377,239	344,538	-	-	3,032,701	-	-
406 - ONE System Enhancements	-	-	12,800,000	1,283,680	-	-	11,516,320	-	-
407 - OHP Coverage for All Kids	-	-	55,030,483	55,030,483	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	286,514,170	58,116,974	-	18,900,000	209,497,196	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**7**	**6.16**	**626,453,534**	**158,526,519**	**-**	**40,079,530**	427,847,485	**-**	**-**
Total 2017-19 Agency Request Budget	**805**	**796.26**	**16,003,925,417**	**2,505,175,925**	**12,456,604**	**1,770,592,732**	11,715,700,156	**-**	**-**
Percentage Change From 2015-17 Leg Approved Budget	31.54%	31.85%	3.37%	73.40%	9.76%	-13.64%	-1.32%	-100.00%	-
Percentage Change From 2017-19 Current Service Level	0.88%	0.78%	4.05%	6.76%	-	2.12%	3.79%	-	-

Summary of 2017-19 Biennium Budget

Oregon Health Authority
Health Policy & Analytics
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-030-02-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	-	-	-	-	-	-	-	-	-
2015-17 Emergency Boards	135	129.49	139,219,767	22,141,946	-	2,826,075	114,251,746	-	-
2015-17 Leg Approved Budget	**135**	**129.49**	**139,219,767**	**22,141,946**	**-**	**2,826,075**	114,251,746	**-**	**-**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(8)	(4.84)	956,234	670,851	-	(30,811)	316,194	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**127**	**124.65**	**140,176,001**	**22,812,797**	**-**	**2,795,264**	114,567,940	**-**	**-**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	422,074	229,691	-	18,630	173,753	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	514,382	216,272	-	19,808	278,302	-	-
Subtotal	**-**	**-**	**936,456**	**445,963**	**-**	**38,438**	452,055	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	15	11.50	7,233,388	4,067,616	-	-	3,165,772	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(20,595,641)	(300,000)	-	-	(20,295,641)	-	-
Subtotal	**15**	**11.50**	**(13,362,253)**	**3,767,616**	**-**	**-**	(17,129,869)	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	3,361,591	318,525	-	51,345	2,991,721	-	-
Subtotal	**-**	**-**	**3,361,591**	**318,525**	**-**	**51,345**	2,991,721	**-**	**-**

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	2	2.00	770,090	-	-	770,090	-	-	-
Subtotal: 2017-19 Current Service Level	**144**	**138.15**	**131,881,885**	**27,344,901**	**-**	**3,655,137**	100,881,847	**-**	**-**

Oregon Health Authority
Health Policy & Analytics
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-030-02-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
Subtotal: 2017-19 Current Service Level	**144**	**138.15**	**131,881,885**	**27,344,901**	**-**	**3,655,137**	100,881,847	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**144**	**138.15**	**131,881,885**	**27,344,901**	**-**	**3,655,137**	100,881,847	**-**	**-**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	-	-	-	-	-	-	-	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	22,983,343	-	-	22,983,343	-	-	-

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**-**	**-**	**22,983,343**	**-**	**-**	**22,983,343**	-	**-**	**-**
Total 2017-19 Agency Request Budget	**144**	**138.15**	**154,865,228**	**27,344,901**	**-**	**26,638,480**	100,881,847	**-**	**-**
Percentage Change From 2015-17 Leg Approved Budget	6.67%	6.69%	11.24%	23.50%	-	842.60%	-11.70%	-	-
Percentage Change From 2017-19 Current Service Level	-	-	17.43%	-	-	628.80%	-	-	-

Oregon Health Authority
Public Employees Benefit Board (PEBB)
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-030-03-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
2015-17 Leg Adopted Budget	-	-	-	-	-	-	-	-	-
2015-17 Emergency Boards	20	19.50	1,783,525,223	-	-	1,783,525,223	-	-	-
2015-17 Leg Approved Budget	**20**	**19.50**	**1,783,525,223**	**-**	**-**	**1,783,525,223**	-	**-**	**-**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	132,220	-	-	132,220	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**20**	**19.50**	**1,783,657,443**	**-**	**-**	**1,783,657,443**	-	**-**	**-**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	27,570	-	-	27,570	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	32,055	-	-	32,055	-	-	-
Subtotal	**-**	**-**	**59,625**	**-**	**-**	**59,625**	-	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	116,216,762	-	-	116,216,762	-	-	-
Subtotal	**-**	**-**	**116,216,762**	**-**	**-**	**116,216,762**	-	**-**	**-**

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	**20**	**19.50**	**1,899,933,830**	**-**	**-**	**1,899,933,830**	-	**-**	**-**

Oregon Health Authority
Public Employees Benefit Board (PEBB)
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-030-03-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2017-19 Current Service Level	**20**	**19.50**	**1,899,933,830**	**-**	**-**	**1,899,933,830**	-	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**20**	**19.50**	**1,899,933,830**	**-**	**-**	**1,899,933,830**	-	**-**	**-**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	-	-	-	-	-	-	-	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Total 2017-19 Agency Request Budget	**20**	**19.50**	**1,899,933,830**	**-**	**-**	**1,899,933,830**	-	**-**	**-**
Percentage Change From 2015-17 Leg Approved Budget	-	-	6.53%	-	-	6.53%	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	-	-	-	-	-	-	-	-	-
2015-17 Emergency Boards	22	22.00	1,557,317,594	-	-	1,557,317,594	-	-	-
2015-17 Leg Approved Budget	**22**	**22.00**	**1,557,317,594**	**-**	**-**	**1,557,317,594**	-	**-**	**-**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	123,869	-	-	123,869	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**22**	**22.00**	**1,557,441,463**	**-**	**-**	**1,557,441,463**	-	**-**	**-**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	46,558	-	-	46,558	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	25,819	-	-	25,819	-	-	-
Subtotal	**-**	**-**	**72,377**	**-**	**-**	**72,377**	-	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(450,000)	-	-	(450,000)	-	-	-
Subtotal	**-**	**-**	**(450,000)**	**-**	**-**	**(450,000)**	-	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	107,258,841	-	-	107,258,841	-	-	-
Subtotal	**-**	**-**	**107,258,841**	**-**	**-**	**107,258,841**	-	**-**	**-**

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	(2)	(2.00)	(770,090)	-	-	(770,090)	-	-	-
Subtotal: 2017-19 Current Service Level	**20**	**20.00**	**1,663,552,591**	**-**	**-**	**1,663,552,591**	-	**-**	**-**

Oregon Health Authority | **Agency Request Budget**
Oregon Educators Benefit Board (OEBB) | **Cross Reference Number: 44300-030-04-00-00000**
2017-19 Biennium

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
Subtotal: 2017-19 Current Service Level	**20**	**20.00**	**1,663,552,591**	**-**	**-**	**1,663,552,591**	-	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**20**	**20.00**	**1,663,552,591**	**-**	**-**	**1,663,552,591**	-	**-**	**-**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	-	-	-	-	-	-	-	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Total 2017-19 Agency Request Budget	**20**	**20.00**	**1,663,552,591**	**-**	**-**	**1,663,552,591**	-	**-**	**-**
Percentage Change From 2015-17 Leg Approved Budget	-9.09%	-9.09%	6.82%	-	-	6.82%	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2017-19 Biennium Budget

Oregon Health Authority
Public Health Programs
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-030-05-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	-	-	-	-	-	-	-	-	-
2015-17 Emergency Boards	785	763.67	635,245,868	43,249,707	-	183,362,631	265,904,479	40,000,000	102,729,051
2015-17 Leg Approved Budget	**785**	**763.67**	**635,245,868**	**43,249,707**	**-**	**183,362,631**	265,904,479	**40,000,000**	**102,729,051**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(32)	(16.60)	3,595,778	698,865	-	3,411,045	(514,132)	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**753**	**747.07**	**638,841,646**	**43,948,572**	**-**	**186,773,676**	265,390,347	**40,000,000**	**102,729,051**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	1,209,180	88,287	-	428,430	692,463	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	733,761	(352)	-	582,127	151,986	-	-
Subtotal	**-**	**-**	**1,942,941**	**87,935**	**-**	**1,010,557**	844,449	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	7	4.34	6,190,748	156,245	-	496,867	5,537,636	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(1,436,075)	(300,000)	-	(1,136,075)	-	-	-
Subtotal	**7**	**4.34**	**4,754,673**	**(143,755)**	**-**	**(639,208)**	5,537,636	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	2,151,448	1,225,323	-	926,125	-	-	-
Subtotal	**-**	**-**	**2,151,448**	**1,225,323**	**-**	**926,125**	-	**-**	**-**

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	(40,992)	-	-	(40,992)	-	-	-
Subtotal: 2017-19 Current Service Level	**760**	**751.41**	**647,649,716**	**45,118,075**	**-**	**188,030,158**	271,772,432	**40,000,000**	**102,729,051**

Oregon Health Authority
Public Health Programs
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-030-05-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
Subtotal: 2017-19 Current Service Level	**760**	**751.41**	**647,649,716**	**45,118,075**	**-**	**188,030,158**	271,772,432	**40,000,000**	**102,729,051**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	(5)	(5.00)	(2,184,864)	-	-	(2,184,864)	-	-	-
Modified 2017-19 Current Service Level	**755**	**746.41**	**645,464,852**	**45,118,075**	**-**	**185,845,294**	271,772,432	**40,000,000**	**102,729,051**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	250,705	989,185	-	(217,741)	(520,739)	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	-	-	-	-	-	-	-	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	5	5.00	1,334,664	-	-	1,334,664	-	-	-

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	28,702,099	30,000,000	-	(485,369)	(812,532)	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**5**	**5.00**	**30,287,468**	**30,989,185**	**-**	**631,554**	(1,333,271)	**-**	**-**
Total 2017-19 Agency Request Budget	**760**	**751.41**	**675,752,320**	**76,107,260**	**-**	**186,476,848**	270,439,161	**40,000,000**	**102,729,051**
Percentage Change From 2015-17 Leg Approved Budget	-3.18%	-1.61%	6.38%	75.97%	-	1.70%	1.71%	-	-
Percentage Change From 2017-19 Current Service Level	-	-	4.34%	68.68%	-	-0.83%	-0.49%	-	-

Summary of 2017-19 Biennium Budget

Oregon Health Authority
Oregon State Hospital
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-030-06-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	-	-	-	-	-	-	-	-	-
2015-17 Emergency Boards	2,268	2,261.90	522,103,960	448,221,830	-	24,081,344	49,800,786	-	-
2015-17 Leg Approved Budget	**2,268**	**2,261.90**	**522,103,960**	**448,221,830**	**-**	**24,081,344**	49,800,786	**-**	**-**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	5.92	27,581,845	25,169,191	-	890,035	1,522,619	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**2,268**	**2,267.82**	**549,685,805**	**473,391,021**	**-**	**24,971,379**	51,323,405	**-**	**-**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	6,438,895	6,438,895	-	-	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	4,678,075	4,585,929	-	337,568	(245,422)	-	-
Subtotal	**-**	**-**	**11,116,970**	**11,024,824**	**-**	**337,568**	(245,422)	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	170	165.50	46,902,682	46,902,682	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(18,187,838)	(2,689,503)	-	-	(15,498,335)	-	-
Subtotal	**170**	**165.50**	**28,714,844**	**44,213,179**	**-**	**-**	(15,498,335)	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	3,009,774	2,439,880	-	302,376	267,518	-	-
Subtotal	**-**	**-**	**3,009,774**	**2,439,880**	**-**	**302,376**	267,518	**-**	**-**

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	**2,438**	**2,433.32**	**592,527,393**	**531,068,904**	**-**	**25,611,323**	35,847,166	**-**	**-**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2017-19 Current Service Level	**2,438**	**2,433.32**	**592,527,393**	**531,068,904**	**-**	**25,611,323**	35,847,166	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**2,438**	**2,433.32**	**592,527,393**	**531,068,904**	**-**	**25,611,323**	35,847,166	**-**	**-**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	-	-	-	-	-	-	-	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
410 - Oregon State Hospital Improvements	83	83.00	20,433,264	(10,355,765)	-	30,789,029	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**83**	**83.00**	**20,433,264**	**(10,355,765)**	**-**	**30,789,029**	-	**-**	**-**
Total 2017-19 Agency Request Budget	**2,521**	**2,516.32**	**612,960,657**	**520,713,139**	**-**	**56,400,352**	35,847,166	**-**	**-**
Percentage Change From 2015-17 Leg Approved Budget	11.16%	11.25%	17.40%	16.17%	-	134.21%	-28.02%	-	-
Percentage Change From 2017-19 Current Service Level	3.40%	3.41%	3.45%	-1.95%	-	120.22%	-	-	-

Oregon Health Authority
Capital Improvements
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-088-00-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
2015-17 Leg Adopted Budget	-	-	1,399,230	699,615	-	699,615	-	-	-
2015-17 Emergency Boards	-	-	(1,399,230)	(699,615)	-	(699,615)	-	-	-
2015-17 Leg Approved Budget	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									

Oregon Health Authority
Capital Improvements
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-088-00-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Oregon Health Authority
Capital Improvements
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-088-00-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	-	-	-	-	-	-	-	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Oregon Health Authority
Capital Improvements
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-088-00-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Total 2017-19 Agency Request Budget	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Percentage Change From 2015-17 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

Oregon Health Authority
Capital Construction
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-089-00-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
2015-17 Leg Adopted Budget	-	-	-	-	-	-	-	-	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
040 - Mandated Caseload									

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**

Oregon Health Authority
Capital Construction
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-089-00-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
Subtotal: 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Policy Packages									
201 - Integrated Eligibility	-	-	-	-	-	-	-	-	-
202 - ISPO Investments	-	-	-	-	-	-	-	-	-
203 - SOS Performance Audits	-	-	-	-	-	-	-	-	-
204 - OPAR Position Reconciliation and True-up	-	-	-	-	-	-	-	-	-
205 - Background Check Unit Workload	-	-	-	-	-	-	-	-	-
206 - FMLA / OFLA	-	-	-	-	-	-	-	-	-
401 - Cleaner Air Oregon Initiative	-	-	-	-	-	-	-	-	-
402 - Enhance OHA Office of Program Integrity	-	-	-	-	-	-	-	-	-
403 - Hepatitis C Treatment Expansion	-	-	-	-	-	-	-	-	-
404 - Juvenile Fitness to Proceed	-	-	-	-	-	-	-	-	-
405 - MMIS Modularization	-	-	-	-	-	-	-	-	-
406 - ONE System Enhancements	-	-	-	-	-	-	-	-	-
407 - OHP Coverage for All Kids	-	-	-	-	-	-	-	-	-
408 - OHP Demonstration Waiver Extension	-	-	-	-	-	-	-	-	-
409 - OHA Fee Changes	-	-	-	-	-	-	-	-	-

Oregon Health Authority
Capital Construction
2017-19 Biennium

Agency Request Budget
Cross Reference Number: 44300-089-00-00-00000

Description	*Positions*	*Full-Time Equivalent (FTE)*	*ALL FUNDS*	*General Fund*	*Lottery Funds*	*Other Funds*	*Federal Funds*	*Nonlimited Other Funds*	*Nonlimited Federal Funds*
410 - Oregon State Hospital Improvements	-	-	-	-	-	-	-	-	-
411 - Public Health Modernization	-	-	-	-	-	-	-	-	-
412 - SGSC & Telecomm Exceptions	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Total 2017-19 Agency Request Budget	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Percentage Change From 2015-17 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

PROGRAM PRIORITIZATION FOR 2017-19

Agency Name: Oregon Health Authority

2017-19 Biennium

					Agency-Wide Priorities for 2017 -2019 Biennium								
1	4			5	6	7	8	9	10	11	12	13	14
Priority (ranked with highest priority first)	**Program or Activity Initials**	**ORBITS DCR Title**	**Is Program leveraged for the DSHP Waiver?**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**
Agcy													
1	Health Programs	Health Programs Medicaid	No	This budget includes the Oregon Health Plan, which provides medical coverage for Medicaid under Title XIX of the Social Security Act, and Children's Health Insurance Program (CHIP) under Title XXI of the Social Security Act. Medicaid has traditionally provided medical coverage to low-income seniors, people with disabilities, children, and pregnant women. Since January 2014, the Oregon Health Plan has also covered all Oregon adults with income at or below 138 percent of the federal poverty level.	Preventive services for OHP youth and adults, Preventive services for OHP children, Appropriate prenatal care for OHP clients, PQI Hospitalizations of OHP clients	12	2,037,454,650	-	1,680,604,304	-	11,419,502,246	-	15,137,561,200
2	Health Programs	Health Programs Non Medicaid	No	HSD administers contracts and agreements with local mental health authorities such as LMHAs, CMHPs, non-profit providers, and tribes to develop and administer community-based behavioral health services and supports that are not covered by Oregon's Medicaid program. HSD services restore functioning, promote resiliency, health and recovery, and protect public safety by serving adults, children and adolescents with substance use disorders, mental and emotional disorders and problem gambling disorders as well as providing resources to their families. These services and supports are delivered in outpatient, residential, school, hospital, justice and other community settings. Culturally specific statewide and regional programs provide services for Native American, Hispanic/Latino and African American populations. These programs are designed to deliver evidence-based services that restore individuals and their families to the highest level of functioning possible. These programs employ peer support specialists, qualified mental health associates (QMHAs), qualified mental health professionals (QMHPs), psychiatrists, psychiatric nurse practitioners, qualified health services (QHS) providers, psychologists and other independently licensed providers, Certified Alcohol and Drug Counselors (CADCs), Certified Gambling Addiction Counselors (CGACs), and personal care providers. Individual consumers and their families also are key partners. These partnerships are critical to successfully treating behavioral health conditions.	Completion of alcohol & drug treatment, Alcohol & drug treatment effectiveness: Employment, Child reunification, School performance	12	334,964,435	10,106,595	74,891,931	-	47,975,757	-	467,938,718
3	Public Health Programs	Center for Prevention and Health Promotion	No	Responsible for chronic disease prevention and health promotion, injury prevention, Prescription Drug Monitoring program, Women, Infants and children (WIC) Nutrition program, family planning, oral health, prenatal care, newborn hearing screening, and school-based health centers.	Teen suicide, Tobacco use, Cigarette packs sold, Teen pregnancy, Early prenatal care	10	13,503,187	-	10,163,036	40,000,000	93,075,646	101,929,051	258,670,920
4	Public Health Programs	State Public Health Director	No	Responsible for state emergency preparedness, planning, and response.		8, 10	26,858,355	-	6,776,517	-	6,285,264	-	39,920,136
5	Public Health Programs	Center for Public Health Practice	No	Responsible for state support to local health departments core capacity in disease control and surveillance, HIV/STD/TB, immunization, statewide communicable disease control and testing, maintaining vital records and health statistics.	HIV rate, child immunizations, Influenza vaccinations for seniors	8,10	3,809,030	-	2,719,418	-	22,288,185	-	28,816,633
6	Public Health Programs	Center for Health Protection	No	Responsible for the State Drinking Water Program (Primacy) and EPA Revolving Loan Fund which provides approx. $12M annually to local water systems for capital improvement initiatives. Also identifying and preventing environmental and occupational safety hazards, and initiatives such as the health faciilities licensure, quality improvemnet and regulation, medical marijuana, and Patient Safety Commission.		9,10	2,022,150	-	990,453	-	2,939,890	-	5,952,493

Priority (ranked with highest priority first)	Program or Activity Initials	ORBITS DCR Title	Is Program leveraged for the DSHP Waiver?	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS
7	Oregon State Hospital	State Hospital System	No	The State Hospital System - with locations in Salem and Junction City provide 24-hour supervised care to people with the most severe mental health disorders, many of whom have either been civilly committed to the Department as a danger to themselves or others, or have been found guilty except for insanity, or require hospital care to restore competency in order that they may aid and assist in their own defense during a criminal proceeding.	OSH restraint rate, OSH length of stay (others to consider might be ratio of # served/# of budgeted beds, and/or recidivism/revocation rates. These new measures should be vetted a bit with Cabinet and or AMH, in light of the fact that KPMs are part of a larger OHA/DHS picture)	12	513,418,286	-	55,258,795	-	33,835,234	-	602,512,315
8	Oregon State Hospital	State Delivered SRTF's	No	The state operated 16-bed facilities permit the safe movement of persons from the State Hospital(s) into the community that current providers choose not to serve.		12	6,569,352	-	416,056	-	2,011,932	-	8,997,340
9	Public Employee's Benefit Board	PEBB/Stabilization, Self Insurance, Flex Benefit, Fully insured Plans, and Optional Benefits	No	(1) There is created the Public Employees' Revolving Fund The balances of the Public Employees' Revolving Fund are continuously appropriated to cover expenses incurred in connection with the administration of ORS 243.105 to 243.285 and 292.051. Among other purposes, the board may retain the funds to control expenditures, stabilize benefit premium rates and self-insure. The board may establish subaccounts within the Public Employees' Revolving Fund. (2) There is appropriated to the Public Employees' Revolving Fund all unused employer contributions for employee benefits and all refunds, dividends, unused premiums and other payments attributable to any employee contribution or employer contribution made from any carrier or contractor that has provided employee benefits administered by the board, and all interest earned on such moneys. Fully insured premiums are treated as a pass-through account and funds are sent directly to the Fully Insured provider. (1) In addition to the powers and duties otherwise provided by law to provide employee benefits, the Public Employees' Benefit Board may provide, administer and maintain flexible benefit plans under which eligible employees of this state may choose among taxable and nontaxable benefits as provided in the federal Internal Revenue Code. (2) In providing flexible benefit plans, the board may offer: (a) Health or dental benefits as provided in ORS 243.125 and 243.135. (b) Other insurance benefits as provided in OOptional benefits are insurance premiums paid by members and are treated as pass-through account and funds are sent directly to the Optional Benefit provider.	243.167 Public Employees' Revolving Fund; continuing appropriation to fund, 243.221 Options that may be offered under flexible benefit plan.	10			1,889,687,707				1,889,687,707
10	Oregon Educators Benefit Board (OEBB)	OEBB Stabilization	No	There is created the Oregon Educators Revolving Fund, separate and distinct from the General Fund. Moneys in the Oregon Educators Revolving Fund are continuously appropriated to the Oregon Educators Benefit Board to cover the board's expenses incurred in connection with the administration of ORS 243.860 to 243.886. Moneys in the Oregon Educators Revolving Fund may be retained for limited periods of time as established by the board by rule. Among other purposes, the board may retain the funds to pay premiums, control expenditures, stabilize premiums and self-insure.	243.884 Oregon Educators Revolving Fund; continuous appropriation to board; purposes; rules; moneys paid into fund	10	-	-	1,651,747,668	-	-	-	1,651,747,668
11	Health Policy Programs	OHIT Incentive Payments	No	The Medicaid Electronic Health Records Incentive Payment provide incentive payments to eligible professionals, eligible hospitals, and critical access hospitals (CAHs) as they adopt, implement, upgrade or demonstrate meaningful use of certified EHR technology.			-	-	-	-	63,889,736	-	63,889,736
							2,938,599,445	10,106,595	5,373,255,885	40,000,000	11,691,803,890	101,929,051	$ 20,155,694,866

Oregon Health Authority: 10 Percent Reduction Options

As supplemental information to the Agency Request Budget, Oregon law requires each state agency to include reduction options of 10 percent from the estimate of projected costs of continuing currently authorized activities and programs for the next biennium.

A large proportion of the Oregon Health Authority's (OHA) budget is expended for services directly provided to clients.

General criteria and principles applied to the reduction list included:

- Identifying reductions that do the least harm to the fewest number of clients
- Applying the OHA goals of containing costs, improving quality and increasing access to health care
- Avoiding reductions that will shift people to a more costly service model within OHA or DHS
- Minimizing impacts on health system transformation efforts in 2017-2019
- Avoiding reductions that will weaken the OHA's ability to meet its responsibilities to improve the health of all Oregonians through protection, assessment, epidemiology and emergency preparedness and response
- Identifying where the Affordable Care Act (ACA) provides an opportunity to minimize impact on OHA clients/customers
- Mitigating any impact on OHA's ability to meet its obligation to CMS for the 2 percent test

At the beginning of the 2015-2017 biennium, OHA streamlined the agency by completing an organizational restructure to further integrate programs and services to better deliver services to Oregonians. OHA restructured divisions based on function and prioritized ongoing work within existing resources. Since its restructure, OHA continues to diligently manage to its position authority and effectively control overhead costs. Reduction options that reduce or eliminate programs include corresponding staffing reductions associated with positions to administer those programs and deliver services.

Any reductions necessary would potentially affect the OHA programs in the following areas:

Central Office and Shared Services
Most of the Central Office and Shared Services General Fund is necessary for on-going commitments for which OHA does not materially have the option to reduce. Central, Shared, State Government Service Charges, and Debt Service on Capital Construction authorized in prior biennium account for only about 3 percent of this budget. Administrative cuts through staff reductions or vacancies, or cuts to professional service contracts have been implemented in previous biennia. As OHA continues with its health system transformation efforts, any further reductions in these areas would have a direct impact on the Director's Office, as well as many of the OHA dedicated service offices (e.g., Human Resources, External Relations, and Equity and Inclusion).

Health Systems Division
Prescribers of mental health medications for Oregon Health Plan clients would be required to adhere to the preferred drug list. Exception requests would be evaluated under a prior authorization process.

Indirect and Direct Medical Education payments to teaching hospitals would be eliminated—at the very time we need more trained medical professionals to serve our growing population.

Non-Medicaid budget for cost of living increases for alcohol and drug treatment and community mental health programs would be eliminated.

Elimination of the CMH Mental Health Services Fund for residential development may result in some facilities deteriorating and potentially becoming unsafe. This could affect the environment and livability of residential programs.

Community mental health flex funding would be reduced 20 percent, directly affecting access to services for Oregonians who have mental illness but don't have Medicaid or other insurance coverage.
Community mental health funding for the Adult Mental Health Initiative would be reduced 41 percent. This funding is used to facilitate the transition of civilly committed adults from the state hospital to the community when they no longer need inpatient mental health treatment.

Rental assistance funding would be reduced. This would have a direct impact on individuals and their stability in maintaining housing.

Oregon Health Plan coverage would be reduced by limiting or eliminating specific services or reducing line items covered on the Prioritized List of Health Services. Specific options reduce dental services, eliminate non-emergent dental coverage for non-pregnant clients, and eliminate treatment of substance abuse disorders for non-pregnant adults. Obviously, some individuals could have immediate adverse impact to their health without these services; others could see their health deteriorate.

All reductions to the Oregon Health Plan would require approval by the Centers for Medicare & Medicaid Services (CMS) and most would be prohibited under the special terms and conditions previously agreed upon by OHA and CMS.

Public Health

Funding for the Oregon Contraceptive Care program would be reduced by 50 percent. The program would not be able to serve approximately 24,000 Oregonians during the 2017-2019 biennium.

The Babies First! nurse home visiting program and the Maternal, Infant and Early Childhood Home Visiting (MIECHV) program would be eliminated.

Funding for school-based health centers would be reduced by 25 percent, causing the potential closure of 20 sites and affecting over 13,000 students.

Oregon State Hospital

Units would be removed from the planned phase-in of residential treatment cottages at the Junction City facility. This would inhibit the hospital's ability to move patients who are ready to move from the secure residential treatment facilities. This will ultimately affect the hospital's ability to move patients to a community setting.

The planned phase-in for secure residential treatment facilities at the Junction City campus would be reduced from six units to four, limiting the available number of patient beds.

Mountain 3 Civil Unit would be closed, reducing the capacity at the Junction City campus by 25 beds, further limiting the availability of beds for individuals who are civilly committed.

Residential treatment facility cottages in Salem would be closed, reducing the transitional treatment capacity of the Salem campus.

The Aid and Assist unit at Oregon State Hospital would be closed. This reduction is viable only if proposed legislative efforts are successful in reducing this population.

10% General Fund / 10% Other & Federal Fund Reduction Options for the 2017-2019 Biennium

(Includes Other and Federal Funds non-limited, excludes Debt Service budget, per statute)

	GF & LF	OF & TTX	Federal Funds	Total Funds
Current Service Level Budget	3,077,122,151	5,754,677,668	11,901,405,117	20,733,204,936
10% Target	307,712,215	575,467,767	1,190,140,512	2,073,320,494

Accumulative % Reduction of CSL GF	Agency Priority	Program Area	Reduction Description	Federal Approval required? (Y/N)	GF & LF	OF & TTX	Federal Funds	Total Funds	# of Employees Affected	BUDGET FTE	Impact of Reduction on Services and Outcomes (include other program areas, number of clients affected, etc)
-0.27%	1	Medicaid	Make the mental health preferred drug list (PDL) enforceable. Prescribers of mental health medications would be required to adhere to the PDL. Exceptions to the PDL would be administered by prior authorization. An enforceable PDL for mental health medications would increase usage of preferred drugs. There would be no limitation on access to prescriptions under this reduction. Before being placed on the PDL, drugs are subjected to rigorous evidence review. LEGISLATIVE ACTION REQUIRED. CMS APPROVAL REQUIRED. Effective 1/1/18.	Y	$ (8,244,363)	$ 4,075,126	$ (14,507,867)	$ (18,677,103)			Many mental health organizations, including the National Alliance of Mental Illness (NAMI), strongly oppose putting mental health drugs on an enforceable PDL.
-0.32%	2	Non-Medicaid	Remove budgeted inflation for A&D treatment.	N	$ (1,466,737)	$ (725,651)	$ (1,652,297)	$ (3,844,685)	-	-	This action would eliminate the budgeted inflation for A&D treatment services. This is the first increase that service providers have had in years. Reducing the rate of funding paid to treatment providers as costs of doing business increase makes it more difficult to attract and retain qualified staff and to offer quality services to Oregonians in need.
-0.66%	3	Non-Medicaid	Remove budgeted inflation for Community Mental Health Programs.	N	$ (10,696,536)	$ (2,244,112)	$ (510,150)	$ (13,450,798)	-	-	This reduction would eliminate the budgeted inflation for Community Mental Health Programs. As actual costs do increase, this means there would be less ability to provide the same level of service to clients in the community programs. There is the possibility of reductions in workforce in community providers and the potential loss of some smaller providers due to the inability to secure funding through other sources.
-0.86%	4	Medicaid	Eliminate the Indirect Medical Education (IME) component of the Graduate Medical Education (GME) program. The agency would eliminate Medicaid payments to teaching hospitals that help offset indirect costs associated with their GME programs. IME includes indirect costs that arise from the inexperience of residents, such as extra medical tests and reduced productivity. CMS APPROVAL REQUIRED.	Y	$ (6,118,607)		$ (10,667,695)	$ (16,786,302)			This reduction would mean that hospitals would have less incentive to train new physicians. The impact on the provider workforce may limit access to quality health care for all Oregonians.
-1.37%	5	Medicaid	Eliminate the Direct Medical Education (DME) component of the Graduate Medical Education (GME) program. The agency would eliminate Medicaid payments to teaching hospitals that help offset costs associated with their graduate medical education programs. GME includes costs associated with stipends or salaries for residents, payments to supervising physicians, and direct program administration costs. CMS APPROVAL REQUIRED.	Y	$ (15,733,562)		$ (27,431,216)	$ (43,164,778)			This reduction would mean that hospitals would have less incentive to train new physicians. The impact on the provider workforce may limit access to quality health care for all Oregonians.
-1.47%	6	OSH	Amend Junction City Phase-In Plan: Remove the first of three cottages licensed as a Residential Treatment Facility (RTF) scheduled to be opened in the 2017-2019 CSL budget. Assumes a 24-month reduction of funding for this cottage from the 2017-2019 CSL budget and a reduction of CSL-funded capacity of eight beds. Because most staffing for these cottages serve all three cottages, the staff and dollar reduction for each cottage phase-in removal is not equivalent, rather it increases with each cottage phase-in removal.	N	$ (3,040,833)	$ -	$ -	$ (3,040,833)	(14)	(12.50)	Holding off the planned phase-in of this Junction City cottage will reduce the RTF transitional treatment capacity of the Junction City campus hospital by eight beds. Patients who are residing in Secured Residential Treatment Facility (SRTF) units of the Junction City facility who have recovered to the point that they are ready to move to a less restrictive setting may have to wait longer for an RTF transitional treatment setting due to limited capacity. This may result in an increased length of stay within the Junction City campus facility treatment units as patients ready to transition to community settings must wait until an opening becomes available.
-1.65%	7	OSH	Amend Junction City Phase-in Plan: Remove the second of three cottages licensed as a Residential Treatment Facility (RTF) scheduled to be opened in 2017-2019 CSL budget. Assumes a 24-month reduction of funding for this cottage from the 2017-19 CSL and an additional eight-bed reduction of CSL-funded capacity (a total of 16 beds). Because most staffing for these cottages serve all three cottages, the staff and dollar reduction for each cottage phase-in removal is not equivalent, rather it increases with each cottage phase-in removal.	N	$ (5,471,452)	$ -	$ -	$ (5,471,452)	(25)	(25.00)	Holding off the planned phase-in of this Junction City cottage will reduce the RTF transitional treatment capacity of the Junction City hospital campus by eight beds. Patients who are residing in Secured Residential Treatment Facility (SRTF) units of the Junction City facility who have recovered to the point that they are ready to move to a less restrictive setting may have to wait longer for an RTF transitional treatment setting due to limited capacity. This may result in an increased length of stay within the Junction City facility treatment units as patients ready to transition to community settings must wait until an opening becomes available.

Accumulative % Reduction of CSL GF	Agency Priority	Program Area	Reduction Description	Federal Approval required? (Y/N)	GF & LF	OF & TTX	Federal Funds	Total Funds	# of Employees Affected	BUDGET FTE	Impact of Reduction on Services and Outcomes (include other program areas, number of clients affected, etc)
-1.77%	**8**	OSH	Amend Junction City Phase-In Plan: Remove the third of three cottages licensed as a Residential Treatment Facility (RTF) scheduled to be opened in 2017-2019 CSL budget. Assumes a 24-month reduction of funding for this cottage from the 2017-2019 CSL and an additional eight-t bed reduction of CSL- funded capacity (a total of 24 beds). Because most staffing for these cottages serve all three cottages, the staff and dollar reduction for each cottage phase-in removal is not equivalent, rather it increases with each cottage phase-in removal.	N	$ (3,578,567)	$ -	$ -	$ (3,578,567)	(14)	(14.00)	Holding off the planned phase-in of this Junction City cottage will reduce the RTF transitional treatment capacity of the Junction City hospital campus by eight beds. Patients who are residing in Secured Residential Treatment Facility (SRTF) units of the Junction City facility who have recovered to the point that they are ready to move to a less restrictive setting may have to wait longer for an RTF transitional treatment setting due to limited capacity. This may result in an increased length of stay within the Junction City facility treatment units as patients ready to transition to community settings must wait until an opening becomes available.
-2.15%	**9**	OSH	Amend Junction City Phase-in Plan: Remove one of two Secured Residential Treatment Facility (SRTF) units scheduled to be opened in 2017-2019 CSL budget. This would result in five units opening within the Junction City facility rather than the planned capacity of six units.	N	$ (11,688,395)	$ -	$ -	$ (11,688,395)	(47)	(45.50)	Holding off the planned phase-in of this SRTF unit would reduce capacity of the Junction City campus by 25 beds and would further limit the availability of treatment that is closer to community and family for patients from southern Oregon. There would be less capacity for those patients who have recovered sufficiently to no longer need hospital-level care and are preparing to transition out of the hospital. Less capacity at Oregon State Hospital may result in more patients on the Civil Commitment wait list and for longer periods, which in turn, may result in longer stays in emergency departments for people waiting for an acute care bed. In addition, this phase-in adjustment would be contingent upon mandated state hospital caseload growth. While Guilty Except for Insanity (GEI) caseload growth is not currently growing at a pace to require the opening of another hospital unit, growth in Aid and Assist, or ".370," caseload does pose a significant risk to the need for additional capacity. Civil caseload growth has remained steady, and Junction City's most recently opened unit is serving the Civil population that has been displaced from the Salem campus by the increase in the Aid and Assist population.
-2.49%	**10**	OSH	Amend Junction City Phase-in Plan: Remove second of two Secured Residential Treatment Facility (SRTF) units scheduled to be opened in 2017-2019 CSL budget. This would result in four units opening within the Junction City facility rather than the planned capacity of six units.	N	$ (10,679,077)	$ -	$ -	$ (10,679,077)	(40)	(40.00)	Holding off the planned phase-in of this SRTF unit would reduce capacity of the Junction City campus by 25 beds and would further limit the availability of treatment that is closer to community and family for patients from southern Oregon. There would be less capacity for those patients who have recovered sufficiently to no longer need hospital-level care and are preparing to transition out of the hospital. Less capacity at Oregon State Hospital may result in more patients on the Civil Commitment wait list and for longer periods, which in turn, may result in longer stays in emergency departments for people waiting for an acute care bed. In addition, this phase-in adjustment would be contingent upon mandated state hospital caseload growth. While Guilty Except for Insanity (GEI) caseload growth is not currently growing at a pace to require the opening of another hospital unit, growth in Aid and Assist, or ".370," caseload does pose a significant risk to the need for additional capacity. Civil caseload growth has remained steady, and Junction City's most recently opened unit is serving the Civil population that has been displaced from the Salem campus by the increase in the Aid and Assist population.
-2.90%	**11**	OSH	Close ward at Junction City.	N	$ (12,632,910)	$ -	$ -	$ (12,632,910)	(53)	(53.00)	Closing this Civil unit will reduce the capacity of the Junction City campus by 25 beds and would further limit the availability of beds for Civil patients. Less capacity at Oregon State Hospital through this reduction option may result in more patients on the Civil Commitment wait list and for longer periods, which in turn, may result in longer stays in emergency departments for people waiting for an acute care bed.
-2.92%	**12**	PHD/AGRH	Reduce of Oregon Contraceptive Care Program Funding.	N	$ (525,115)	$ (1,034,246)	$ (14,034,020)	$ (15,593,381)	-	-	The Oregon Contraceptive Care (CCARE) Program provides contraceptive and counseling services to eligible clients. A 50 percent reduction in services would result in 24,300 clients to be unable to be served by CCARE during the 17-19 biennium. Fourteen percent of Oregon Contraceptive Care clients have an unintended pregnancy averted through the provision of effective contraceptive methods and counseling services. With the proposed budget reduction, an additional 3,402 unintended pregnancies would occur among clients unable to receive services. The proposed budget cut would result in approximately 1,225 of these unintended pregnancies ending in abortion and 1,837 ending in a live birth. Given a conservative cost of $16,000 per delivery and one year of infant health care costs under Medicaid, an additional $29.4 million in Medicaid expenditures (state and federal) is expected as a result of these additional unintended pregnancies. A reduction in CCare special payments would significantly impact the financial sustainability of Oregon's local public health authorities (LPHAs) that rely on revenue from the program to support their organization's infrastructure. Many LPHAs utilize a staffing model whereby revenue received from the provision of CCare services support clinical and business staff who fulfill a variety of functions related to essential public health services. These estimates are based on the proposed budgeted amount for FY 17-19. However, due to a drop in client enrollment, we are projected to be underspent in FY15-17, which, if this trend continued, would lessen the impact of these potential cuts. It should be noted that while there was a significant decline in client caseload in 2014, monthly enrollment numbers began to stabilize in early 2015.

Accumulative % Reduction of CSL GF	Agency Priority	Program Area	Reduction Description	Federal Approval required? (Y/N)	GF & LF	OF & TTX	Federal Funds	Total Funds	# of Employees Affected	BUDGET FTE	Impact of Reduction on Services and Outcomes (include other program areas, number of clients affected, etc)
-2.97%	**13**	PH	Eliminate Babies First! Program Funding.	N	$ (1,520,283)	$ -	$ -	$ (1,520,283)	(1)	(1.00)	Babies First! is one of several public health nurse home visiting programs that offer a continuum of care to pregnant women, infants and children ages 0-5, as well as children and youth with special health care needs, who are at risk for poor health and developmental outcomes. The goal of the program is to identify high-risk infants (based on social, emotional and medical risk factors) and improve the health outcomes and early learning opportunities for these children and their families. Babies First! nurses encourage parental self-sufficiency, appropriate utilization of medical and social supports, healthy lifestyle choices, secure attachment and improved parent sensitivity to the child's needs. Data analysis reveals that, compared to other Medicaid clients, children enrolled in the Babies First! Program had significantly higher rates of immunizations, annual well-child visits and annual dental visits for the same year. Nurses provided Babies First! services to 4,258 children in 2014 and 4,102 children in 2015. The loss of Babies First! Program activities would impact the support Oregon families receive in every county and would eliminate the opportunity for local health departments to draw down Medicaid Targeted Case Management funding from the federal government. We are currently working with Medicaid to expand this program into the prenatal period to better serve at-risk pregnant women.
-3.03%	**14**	OSH	Close one of two Salem Residential Treatment Facility (RTF) cottages.		$ (1,984,973)	$ -	$ -	$ (1,984,973)	(10)	(10.00)	Closing this Salem cottage would reduce the RTF transitional treatment capacity on the Salem campus by eight beds. Patients who are residing in Secure Residential Treatment Facility (SRTF) units and who are ready to move to a less restrictive setting may have to wait longer for an RTF placement due to limited capacity. This may result in an increased length of stay within the Salem campus as patients ready to transition to community settings must wait until an opening becomes available.
-3.12%	**15**	OSH	Close second of two Salem Residential Treatment Facility (RTF) cottages.		$ (2,748,525)	$ -	$ -	$ (2,748,525)	(10)	(10.00)	Closing this Salem cottage would reduce the RTF transitional treatment capacity on the Salem campus by eight beds. Patients who are residing in Secure Residential Treatment Facility (SRTF) units and who are ready to move to a less restrictive setting may have to wait longer for an RTF placement due to limited capacity. This may result in an increased length of stay within the Salem campus as patients ready to transition to community settings must wait until an opening becomes available.
-3.16%	**16**	Non-Medicaid	Eliminate the Mental Health Services Fund (MHSF) dollars to Community Mental Health Programs for residential development.	N	$ (1,000,000)			$ (1,000,000)			This fund is used to update and remodel existing residential programs to maintain safe and healthy environments for residents. Elimination of this funding would result in some program facilities deteriorating and potentially resulting in unsafe environments. This would erode the livability of residential programs for adults with a serious mental illness.
-4.73%	**17**	Medicaid	Cover 25 fewer lines on Prioritized List of Health Services. Oregon Health Plan (OHP) coverage is based on the Prioritized List of Health Services, which ranks treatment and condition pairs in order of effectiveness. Starting July 1, 2017, OHP would cover lines 1 through 473. The agency would seek federal approval to no longer cover lines 474 through 498 for the OHP benefit package. LEGISLATIVE ACTION REQUIRED. CMS NEGOTIATION AND APPROVAL IS REQUIRED - The Health System Transformation waiver Special Terms and Conditions (STCs) prohibit the state from reducing eligibility or benefits.	Y	$ (48,293,013)		$ (155,958,123)	$ (204,251,136)			This action would have a dramatic impact on health care services that are covered for all OHP clients, including pregnant women, children, and other groups. Coverage would end for treatments of conditions such as collapsed structure of a lung, hearing loss and neonatal eye infections. Conditions that may cause significant functional disability would no longer be covered, including urinary incontinence and osteoarthritis and uterine prolapse. Several mental health conditions would no longer be covered, including social phobias and obsessive compulsive disorders, which would likely result in broader family and community impacts. In addition, coverage of many basic dental treatments, such as missing teeth, dental caries and dentures, would be eliminated for all eligibility groups. Elimination of coverage of this magnitude would make it very difficult for physical, dental, and mental health providers to deliver high quality, comprehensive care. This proposal would significantly increase administrative burden for providers and for the department.
-5.98%	**18**	Non-Medicaid	Reduce Flex Funding Contracts with Community Mental Health Programs by 20 percent.	N	$ (38,503,486)	$ (4,718,417)		$ (43,221,903)			This reduction would significantly affect Oregonians with mental illness without Medicaid coverage. Access to crisis services, acute psychiatric treatment (in a hospital setting), medications and case management services would be reduced by this reduction. This would likely result in people becoming more ill, doing poorly in school, experiencing strained family relationships and in some instances people would become homeless or may be jailed. There would increase demands on the Oregon State Hospital. These reductions could jeopardize the Maintenance of Effort requirements for the Mental Health Block Grant.
-6.26%	**20**	Non-Medicaid	Reduce rental assistance planned with Tobacco Tax investments by 65 percent.	N	$ (8,708,097)	$ (6,942,715)		$ (15,650,812)			If this reduction was taken people, would lose their rental assistance and accompanying supports. Most if not all of these persons would need to leave their residence for inability to pay. Individuals would be homeless, move in with friends or relatives or end up in higher levels of care. A secondary concern is that any reduction in the new mental health investments may result in federal findings with an Olmstead lawsuit against the state. The US Department of Justice (USDOJ) has been pleased with the steps that Oregon has taken to improve community mental health services. The investment by the Legislature in the community mental health system is a large factor in our current positive relationship with USDOJ.

Accumulative % Reduction of CSL GF	Agency Priority	Program Area	Reduction Description	Federal Approval required? (Y/N)	GF & LF	OF & TTX	Federal Funds	Total Funds	# of Employees Affected	BUDGET FTE	Impact of Reduction on Services and Outcomes (include other program areas, number of clients affected, etc)
-6.26%	**21**	PH	Eliminate the HRSA Maternal, Infant and Early Childhood Home Visiting (MCHIEV) Program	N	$ -	$ -	$ (8,454,283)	$ (8,454,283)	(10)	(5.00)	The Maternal, Infant and Early Childhood Home Visiting (MIECHV) program provides federal funding to local programs to expand evidence-based home visiting services that support families with diverse needs in the 13 counties identified as most at-risk in the needs assessment. MIECHV supports three evidence-based models: Early Head Start; Healthy Families Oregon; and, Nurse-Family Partnership. The MIECHV program has been described as a bridge between Oregon's health system and early learning transformation initiatives. The outcomes of the MIECHV program align with both health system and early learning outcomes: Stable and attached families; health care access: prevention; and, readiness to learn. The program was successful in improving in all six of six benchmark areas: Maternal and child health; school readiness and achievement; domestic violence; child injuries, child abuse, neglect or maltreatment, and reduction in emergency department visits; family economic self-sufficiency; coordination and referrals for other community resources and supports. MIECHV has capacity to serve 846 families at any given time, and has served 1669 families since inception in 2010; many families have remained engaged over several years.
-6.32%	**22**	PH	Reduce in School-Based Health Center Program funding.	N	$ (1,954,602)	$ (544,440)	$ -	$ (2,499,042)	-	-	School-Based Health Centers (SBHCs) are medical clinics located at or within school grounds and provide a full range of physical, mental and preventive health services to all students. Access to health care at SBHCs reduces barriers such as cost, transportation and concerns about confidentiality that have kept children and youth from seeking service. SBHCs succeed through public-private partnerships between Oregon Public Health Division (PHD) and school districts, county public health departments, public and private practitioners and the community. This 25 percent reduction to SBHC funding would result in the potential closure of 20 SBHC sites and 13,700 students would not receive preventive or mental health services and would have to seek these services elsewhere.
-6.58%	**23**	OSH	Close Aid & Assist Unit – Flowers 3		$ (7,792,276)	$ -	$ -	$ (7,792,276)	(35)	(35.00)	Closing this Aid and Assist, or ".370," unit would reduce the capacity of the Salem campus by 26 beds and would further limit the availability of beds for .370 patients. This reduction option is only viable if current legislation and other efforts to reduce the OSH Aid and Assist population are successful. OSH is required by ORS 161.370 to admit .370 defendants within seven days of the court finding them unable to aid and assist in their defense. Closing this unit would limit OSH's ability to be in compliance with this law. Because OSH is required to admit patients under .370 orders within seven days, OSH must give them precedent over patients who have been Civilly Committed. Less capacity at OSH through this reduction option may result in more patients on the Civil Commitment wait list and for longer periods, which in turn, may result in longer stays in emergency departments for people waiting for an acute care bed.
-6.76%	**24**	Medicaid	Eliminate coverage for specific dental services for Oregon Health Plan (OHP) Plus adult clients. The agency would no longer cover the following dental services for adults (including pregnant adults) receiving the OHP benefit package: Crowns, full and partial dentures; scaling & root planning. CMS NEGOTIATION AND APPROVAL IS REQUIRED - The Health System Transformation waiver Special Terms and Conditions (STCs) prohibit the state from reducing eligibility or benefits.	Y	$ (5,587,184)		$ (42,754,466)	$ (48,341,650)			Adults receiving the OHP benefit package could end up requiring more teeth extracted if they cannot be restored. Loss of denture coverage would prevent these clients from getting dentures to replace missing teeth, which can result in difficulty eating and finding employment. With reduced dental benefits, clients may access the emergency department more often because of unmet dental needs.
-8.18%	**25**	Medicaid	Eliminate dental coverage for Oregon Health Plan (OHP) non-pregnant adults. The agency would eliminate the remaining non-pregnant adult dental coverage for the OHP benefit package. LEGISLATIVE ACTION REQUIRED. CMS NEGOTIATION AND APPROVAL IS REQUIRED - The Health System Transformation waiver Special Terms and Conditions (STCs) prohibit the state from reducing eligibility or benefits.	Y	$ (43,656,404)		$ (184,618,180)	$ (228,274,584)			The lack of a dental benefit for non-pregnant adults on the Oregon Health Plan (OHP) would cause adverse effects on their physical health, such as diabetes and cardiovascular disease. Emergency room visits would increase. The OHP dental care organization infrastructure would be threatened with the loss of the adult population. This reduction would negatively impact the health system transformation work as fewer services and dollars would be available.
-9.07%	**26**	Medicaid	Eliminate addiction services for Oregon Health Plan (OHP) non-pregnant adults. The agency would eliminate addiction services from the OHP benefit package for non-pregnant adults. LEGISLATIVE ACTION REQUIRED. CMS NEGOTIATION AND APPROVAL IS REQUIRED - The Health System Transformation waiver Special Terms and Conditions (STCs) prohibit the state from reducing eligibility or benefits.	Y	$ (27,360,616)		$ (197,221,082)	$ (224,581,698)			This reduction would eliminate clinic and community-based assessment and treatment for substance use disorders for non-pregnant adults who receive the OHP benefit package. These services are covered in the Medicaid State Plan under rehabilitative services and are optional. Hospital-based detoxification, screening and brief intervention by a physician would remain covered. Clients would have difficulty obtaining and maintaining employment. Some parents who have OHP coverage and children in the custody of Child Welfare would have increased difficulty being reunited with their children due to the inability to complete treatment requirements and maintaining safe living conditions for their children. This reduction would negatively impact the health system transformation work as fewer services and dollars would be available.

Accumulative % Reduction of CSL GF	Agency Priority	Program Area	Reduction Description	Federal Approval required? (Y/N)	GF & LF	OF & TTX	Federal Funds	Total Funds	# of Employees Affected	BUDGET FTE	Impact of Reduction on Services and Outcomes (include other program areas, number of clients affected, etc)
-10.00%	27	Medicaid	Cover 25 fewer lines on Prioritized List of Health Services. Oregon Health Plan (OHP) coverage is based on the Prioritized List of Health Services, which ranks treatment and condition pairs in order of effectiveness. Starting May 1, 2018, OHP would cover lines 1 through 448. The agency would seek federal approval to no longer cover lines 449 through 498 for the OHP benefit packages. LEGISLATIVE ACTION REQUIRED. CMS NEGOTIATION AND APPROVAL IS REQUIRED - The Health System Transformation waiver Special Terms and Conditions (STCs) prohibit the state from reducing eligibility or benefits.	Y	$ (28,726,603)		$ (150,246,727)	$ (178,973,330)			This action would have a dramatic impact on health care services that are covered for all OHP clients, including pregnant women, children, and other groups. Coverage for treatments of serious conditions such as cancer of the gall bladder and non-union of fractures would end. Conditions causing significant functional disability would no longer be covered, including urinary incontinence and several types of conditions that may cause hearing loss. Several of the most common mental health conditions would no longer be covered, which would likely result in broader family and community impacts. In addition, coverage of many common dental treatments, such as root canal therapy, crowns, and dentures, would be eliminated for all eligibility groups. Elimination of coverage of this magnitude would make it very difficult for physical, dental, and mental health providers to deliver high quality, comprehensive care. This proposal would significantly increase administrative burden for providers and for the department.
	28	Medicaid	Eliminate all Leverage	Y		$ (124,161,639)	$ (382,084,407)	$ (506,246,046)			Eliminates all leveraged programs including the matching Federal Funds, effective 7/1/17.
	29	PEBB	Reduce PEBB Self Insured Plan. PEBB contracts with Providence as the Administrative Services Provider for its self-insured medical plans. The operating budget for PEBB is 0.60 percent. The remaining 99.4 percent is program budget, which is dedicated funding for payment of self-insured and fully insured benefit plans that PEBB is contractually obligated to pay to carriers for claims reimbursement or pass-through of premiums.			$ (242,250,000)		$ (242,250,000)			Taking reductions at any level may potentially default PEBB in its contractual obligations with carriers. Major plan design changes could possibly hit the reduction targets, but it would take a major reduction in medical plan coverage and would jeopardize the stabilization of the statewide risk pool. A major shift in cost sharing between employee and employer could also potentially hit the reduction target, but the reductions would have to be taken at the state agency budget level as it passes employee benefit dedicated dollars through to PEBB.
	30	OEBB	Reduce OEBB contract budget. OEBB contracts with insurance carriers for Entity and Self-Pay member benefit plans. The operating budget for OEBB is 0.70 percent. The remaining 99.3 percent is program budget, which is dedicated funding for payment of insured benefit plans that OEBB is contractually obligated to pass-through to carriers.	N		$ (83,200,000)		$ (83,200,000)	-	-	Taking reductions at any level may potentially default OEBB in its contractual obligations with carriers. Premium shifts to members will not change the pass-through budget dollars needed to meet contractual obligations with carriers.
	31	OEBB	Reduce OEBB contract budget. OEBB contracts with insurance carriers for Entity and Self-Pay member benefit plans. The operating budget for OEBB is 0.70 percent. The remaining 99.3 percent is program budget, which is dedicated funding for payment of insured benefit plans that OEBB is contractually obligated to pass-through to carriers.	N		$ (113,721,673)		$ (113,721,673)	-	-	Taking reductions at any level may potentially default OEBB in its contractual obligations with carriers. Premium shifts to members will not change the pass-through budget dollars needed to meet contractual obligations with carriers.
-10.00%					**$ (307,712,215)**	**$ (575,467,767)**	**$ (1,190,140,512)**	**$ (2,073,320,495)**	**(259)**	**(251.00)**	

2015-17
Legislatively Approved Budget

Oregon Health Authority
4,449 POS / 4,383.89 FTE

Central Services, Shared Services, State Assessment and Enterprise-wide Costs
607 POS / 583.36 FTE

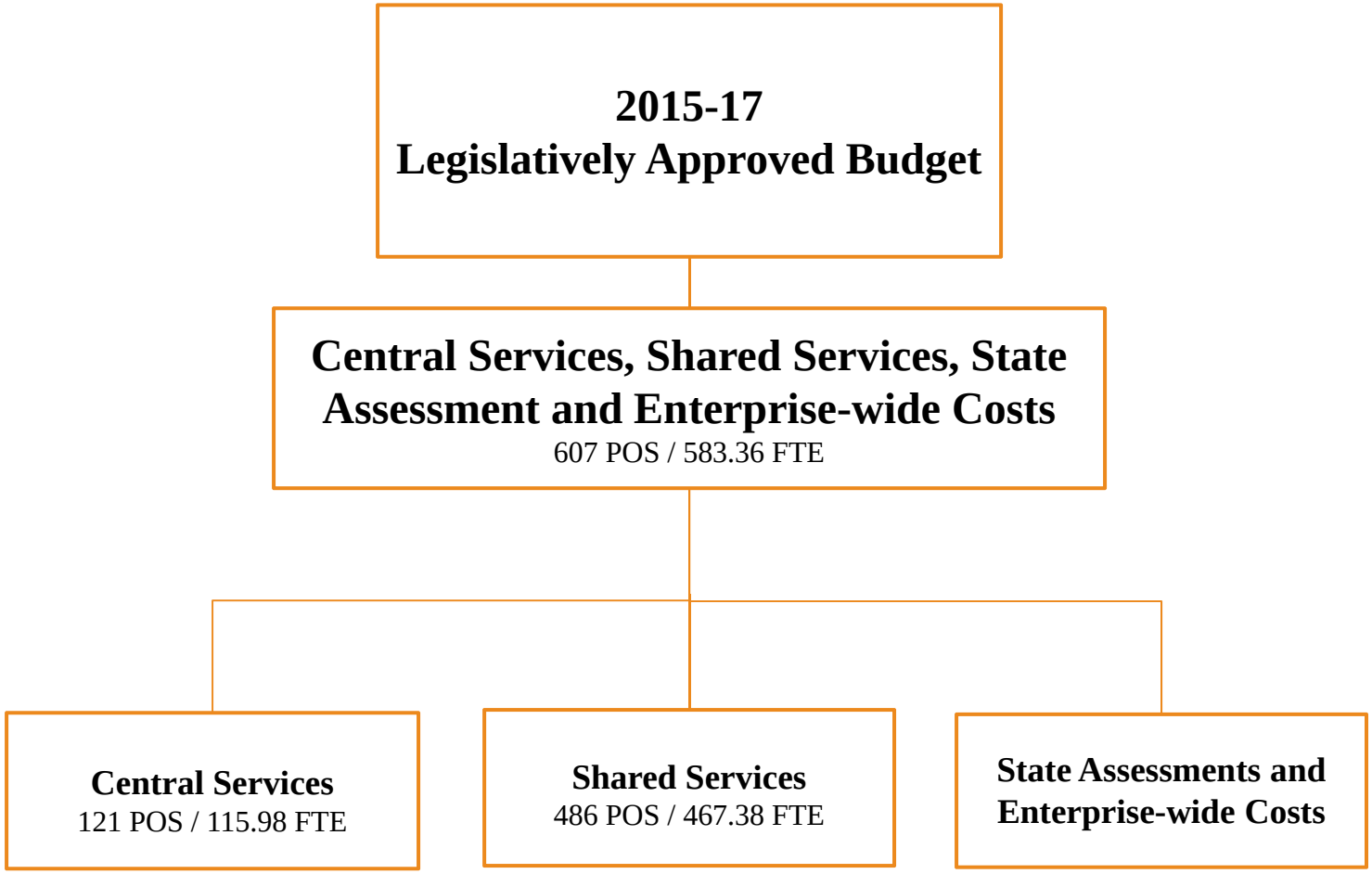
Health Systems Division
612 POS / 603.93 FTE

Public Health Programs
785 POS / 763.71 FTE

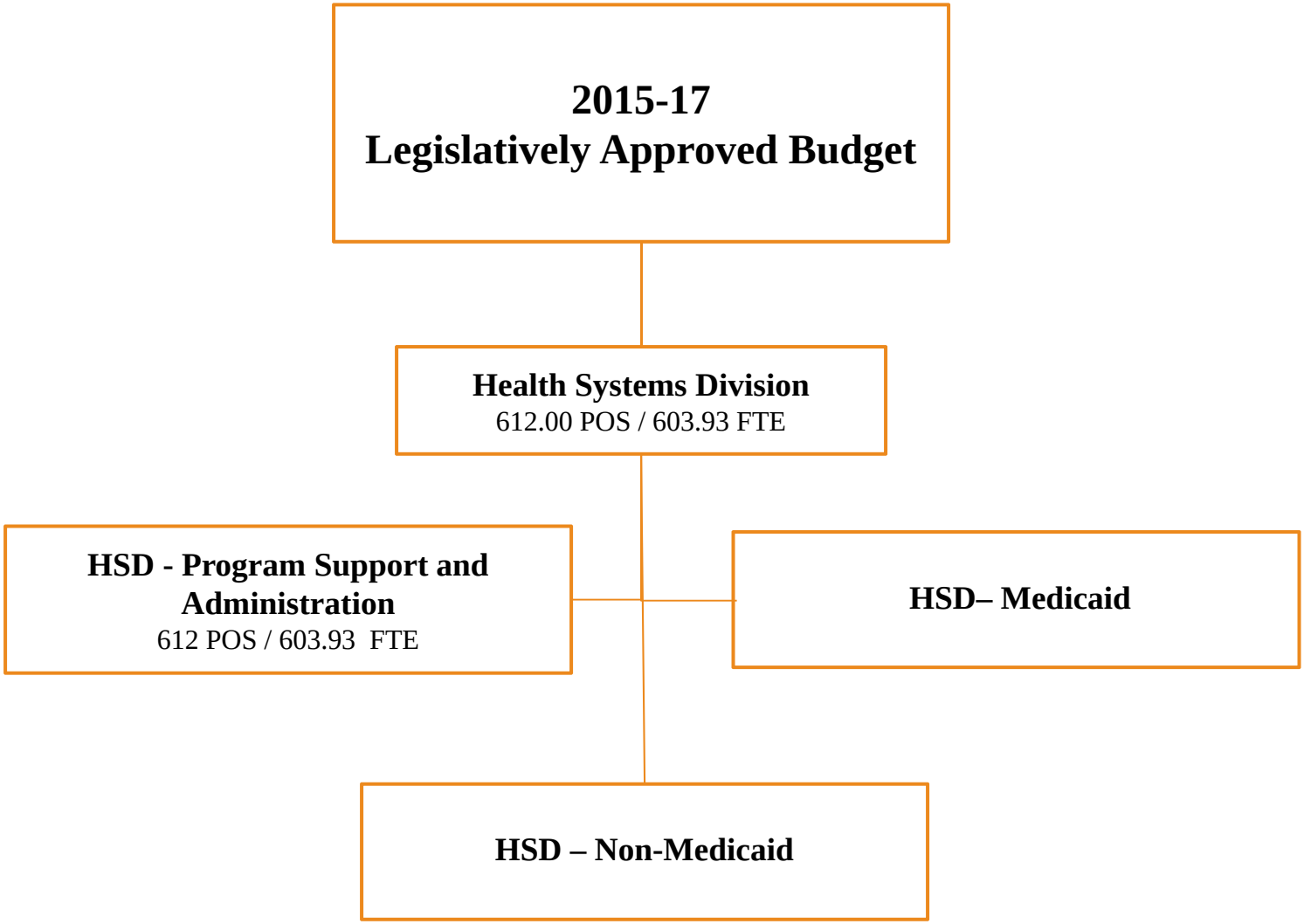
Health Policy & Analytics
177 POS / 170.99 FTE

Oregon State Hospital
2,268 POS / 2,261.90 FTE

Oregon Health Authority



Oregon Health Authority



Oregon Health Authority

2015-17
Legislatively Approved Budget

Health Policy & Analytics
177 POS / 170.99 FTE

Health Policy
64 POS / 57.44 FTE

Office of Health Information Technology
21 POS / 21.00 FTE

Office of Health Analytics
34 POS / 35.14 FTE

HP&A Business Supports
16 POS/ 15.91 FTE

Public Employees' Benefit Board
20 POS / 19.50 FTE

Oregon Educators Benefit Board
22 POS / 22.00 FTE

Oregon Health Authority

2015-17
Legislatively Approved Budget

Public Health
785 POS / 763.71 FTE

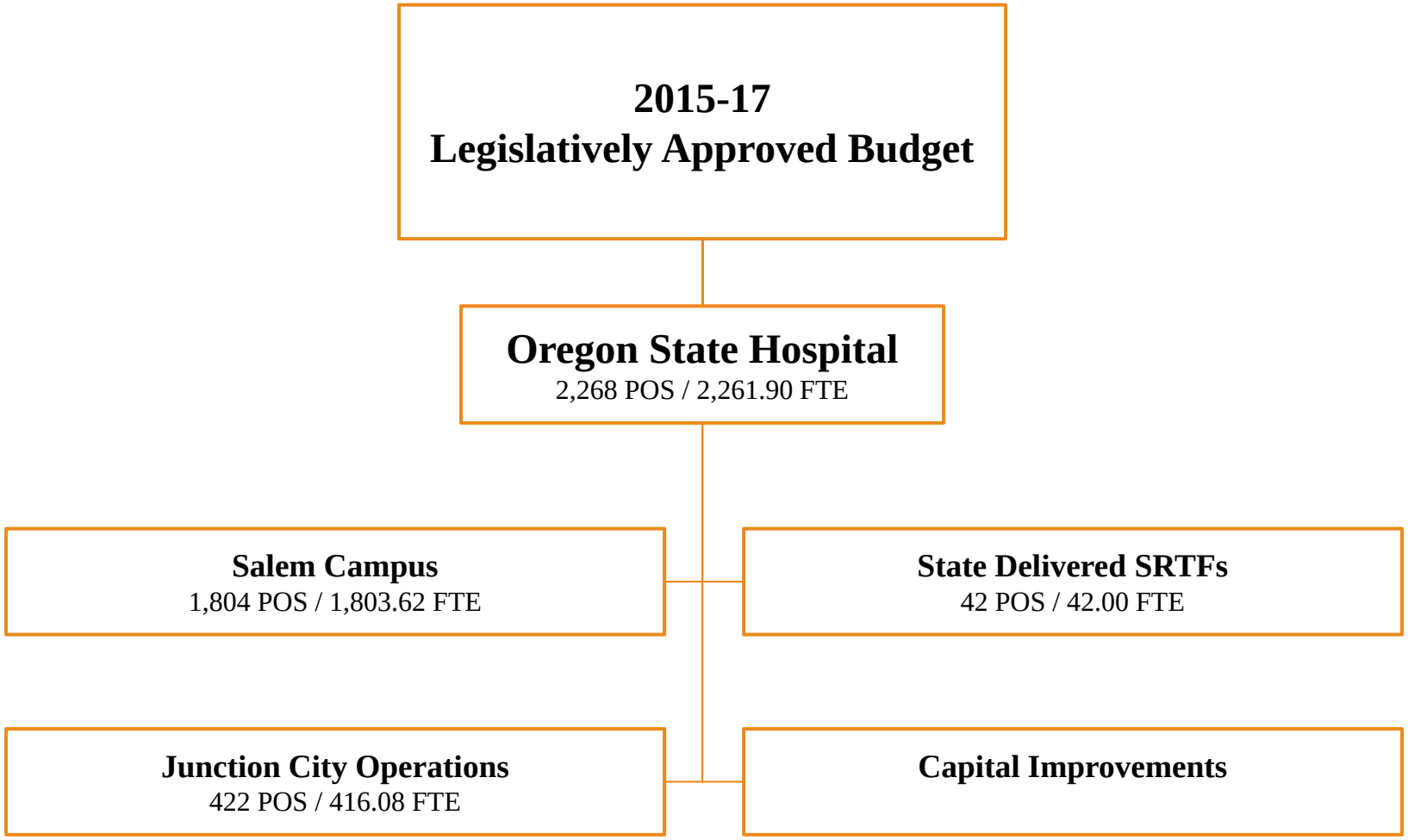
Office of the State Public Health Director
50 POS / 49.50 FTE

Center for Health Protection
232 POS / 223.66 FTE

Center for Prevention and Health Promotion
216 POS / 207.02 FTE

Center for Public Health Practice
287 POS/ 283.53 FTE

Oregon Health Authority



Oregon Health Authority

2017-19
Agency Request Budget

Oregon Health Authority
4780 POS / 4741.84 FTE

Central Services, Shared Services, State Assessment and Enterprise-wide Costs
600 POS / 589.36 FTE

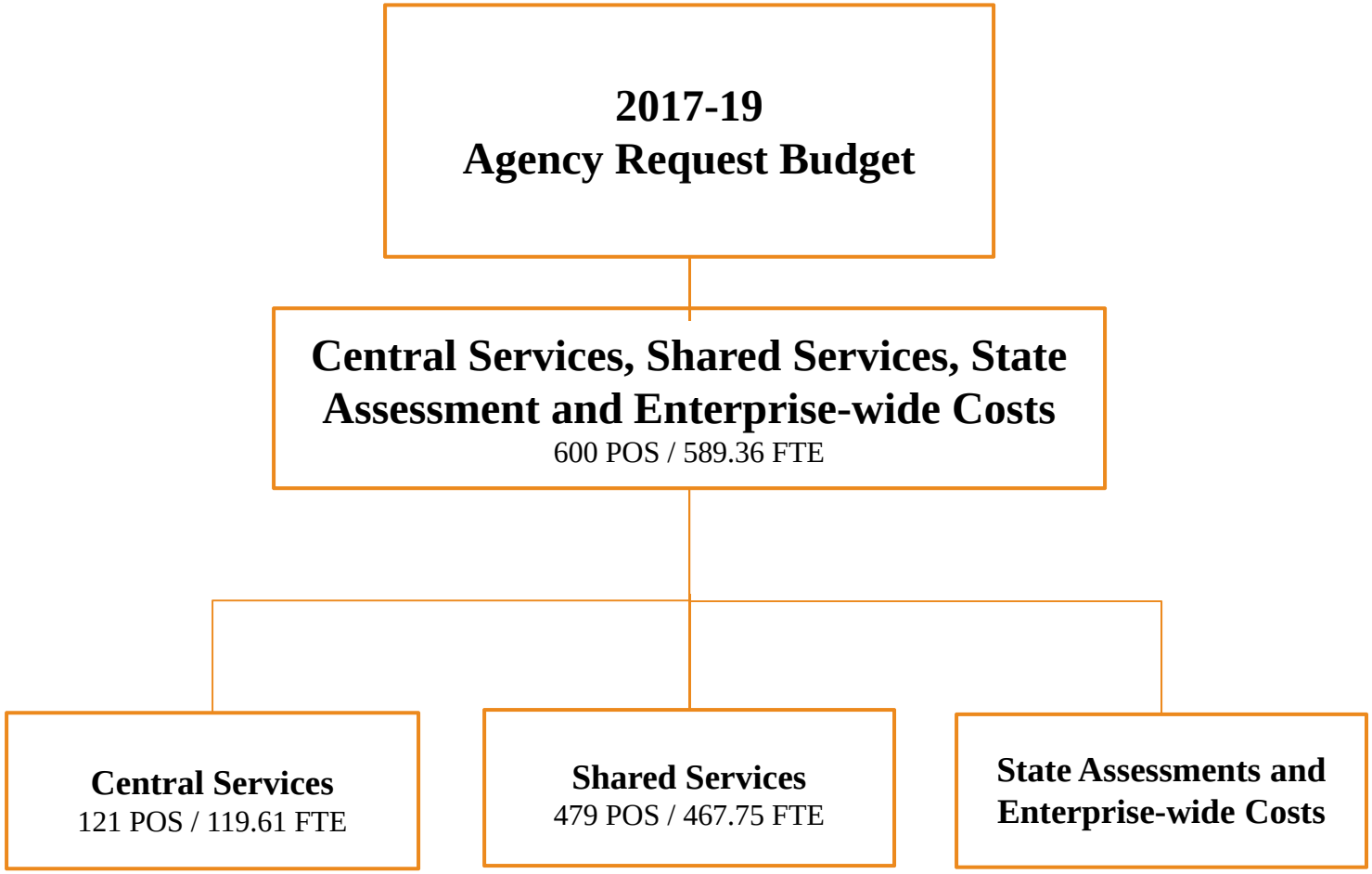
Health Systems Division
798 POS / 4152.48 FTE

Public Health
760 POS / 751.41 FTE

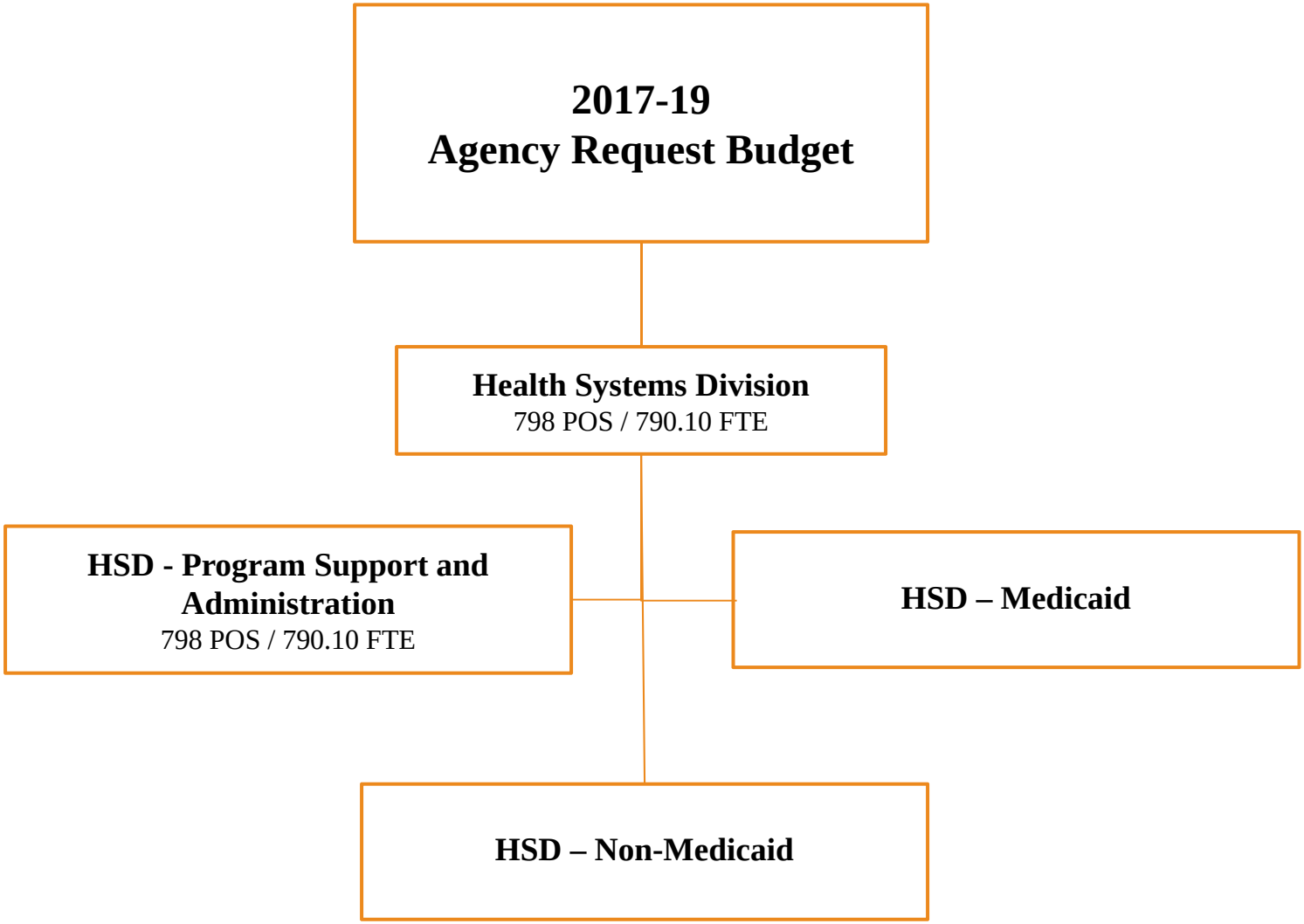
Health Policy & Analytics
186 POS / 179.65 FTE

Oregon State Hospital
2438 POS / 2433.32 FTE

Oregon Health Authority



Oregon Health Authority



Oregon Health Authority

2017-19
Agency Request Budget

Health Policy & Analytics
186 POS / 179.65 FTE

Health Policy
54 POS / 52.24 FTE

Office of Health Information Technology
36 POS / 32.50 FTE

Office of Health Analytics
37 POS / 37.00 FTE

HP&A Business Supports
17 POS/ 16.41 FTE

Public Employees' Benefit Board
20 POS / 19.50 FTE

Oregon Educators Benefit Board
22 POS / 22.00 FTE

Oregon Health Authority

2017-19
Agency Request Budget

Public Health
760 POS / 751.41 FTE

Office of the State Public Health Director
44 POS / 43.50 FTE

Center for Health Protection
228 POS / 226.50 FTE

Center for Prevention and Health Promotion
201 POS / 197.83 FTE

Center for Public Health Practice
287 POS/ 2283.58 FTE

Oregon Health Authority

2017-19
Agency Request Budget

Oregon State Hospital
2438 POS / 2433.32 FTE

Oregon State Hospital - Salem
1898 POS / 1896.32 FTE

State Delivered SRTFs
42 POS / 42.00FTE

Junction City Operations
498 POS / 495.00 FTE

Capital Improvements

Oregon Health Authority

Summary Cross Reference Number	*Cross Reference Description*	*2013-15 Actuals*	*2015-17 Leg Adopted Budget*	*2015-17 Leg Approved Budget*	*2017-19 Agency Request Budget*	*2017-19 Governor's Budget*	*2017-19 Leg Adopted Budget*
010-40-00-00000	**OHA Central Services**						
	General Fund	17,622,749	13,436,943	19,493,680	21,795,627	-	-
	Other Funds	2,479,917	1,278,042	2,938,620	3,356,867	-	-
	Federal Funds	9,172,344	7,452,251	13,261,325	15,116,934	-	-
	All Funds	29,275,010	22,167,236	35,693,625	40,269,428	-	-
010-45-00-00000	**OHA Shared Services**						
	Other Funds	122,584,538	137,823,428	144,286,296	166,257,027	-	-
010-50-00-00000	**State Assessments and Enterprise-wide Costs**						
	General Fund	140,904,589	150,459,407	162,094,991	176,624,775	-	-
	Other Funds	53,705,546	24,762,464	33,764,827	31,851,219	-	-
	Federal Funds	53,986,838	65,069,551	77,178,100	88,354,382	-	-
	All Funds	248,596,973	240,291,422	273,037,918	296,830,376	-	-
020-01-00-00000	**Medical Assistance Programs**						
	General Fund	-	1,111,847,789	-	-	-	-
	Other Funds	-	1,890,978,714	-	-	-	-
	Federal Funds	-	10,692,267,026	-	-	-	-
	All Funds	-	13,695,093,529	-	-	-	-
020-02-00-00000	**Public Employees Benefit Board (PEBB)**						
	Other Funds	-	1,783,578,908	-	-	-	-

Summary Cross Reference Number	Cross Reference Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
020-03-00-00000	**Oregon Educators Benefit Board (OEBB)**						
	Other Funds	-	1,557,774,757	-	-	-	-
020-04-00-00000	**Private Health Partnerships**						
	General Fund	1,668,314	-	-	-	-	-
	Other Funds	5,912,020	104,201,884	-	-	-	-
	Federal Funds	14,409,092	-	-	-	-	-
	All Funds	21,989,426	104,201,884	-	-	-	-
020-05-00-00000	**Addictions and Mental Health Program**						
	General Fund	-	782,731,632	-	-	-	-
	Lottery Funds	-	11,292,544	-	-	-	-
	Other Funds	-	106,675,754	-	-	-	-
	Federal Funds	-	271,885,454	-	-	-	-
	All Funds	-	1,172,585,384	-	-	-	-
020-06-00-00000	**Public Health Program**						
	General Fund	-	42,004,433	-	-	-	-
	Other Funds	-	208,719,680	-	-	-	-
	Federal Funds	-	356,032,229	-	-	-	-
	All Funds	-	606,756,342	-	-	-	-

Summary Cross Reference Number	Cross Reference Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
020-07-00-00000	**Health Licensing Office**						
	Other Funds	-	7,232,059	-	-	-	-
020-08-00-00000	**Health Policy Programs**						
	General Fund	-	19,428,056	-	-	-	-
	Other Funds	-	3,152,471	-	-	-	-
	Federal Funds	-	114,885,423	-	-	-	-
	All Funds	-	137,465,950	-	-	-	-
030-01-00-00000	**Health Systems Division**						
	General Fund	1,299,439,705	-	1,444,762,259	2,505,175,925	-	-
	Lottery Funds	10,591,632	-	11,348,753	12,456,604	-	-
	Other Funds	1,881,031,927	-	2,153,693,022	1,770,592,732	-	-
	Federal Funds	8,839,087,266	-	11,872,819,060	11,715,700,156	-	-
	All Funds	12,030,150,530	-	15,482,623,094	16,003,925,417	-	-
030-02-00-00000	**Health Policy & Analytics**						
	General Fund	44,366,971	-	22,141,946	27,344,901	-	-
	Other Funds	3,086,448	-	2,826,075	26,638,480	-	-
	Federal Funds	91,491,370	-	114,251,746	100,881,847	-	-
	All Funds	138,944,789	-	139,219,767	154,865,228	-	-

Summary Cross Reference Number	Cross Reference Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
030-03-00-00000	**Public Employees Benefit Board (PEBB)**						
	Other Funds	1,649,353,228	-	1,783,525,223	1,899,933,830	-	-
030-04-00-00000	**Oregon Educators Benefit Board (OEBB)**						
	Other Funds	1,431,736,708	-	1,557,317,594	1,663,552,591	-	-
030-05-00-00000	**Public Health Programs**						
	General Fund	40,674,722	-	43,249,707	76,107,260	-	-
	Other Funds	163,234,374	-	223,362,631	226,476,848	-	-
	Federal Funds	307,656,055	-	368,633,530	373,168,212	-	-
	All Funds	511,565,151	-	635,245,868	675,752,320	-	-
030-06-00-00000	**Oregon State Hospital**						
	General Fund	388,702,108	-	448,221,830	520,713,139	-	-
	Other Funds	14,555,054	-	24,081,344	56,400,352	-	-
	Federal Funds	45,451,223	-	49,800,786	35,847,166	-	-
	All Funds	448,708,385	-	522,103,960	612,960,657	-	-
088-00-00-00000	**Capital Improvements**						
	General Fund	-	699,615	-	-	-	-
	Other Funds	-	699,615	-	-	-	-
	All Funds	-	1,399,230	-	-	-	-

Summary Cross Reference Number	*Cross Reference Description*	*2013-15 Actuals*	*2015-17 Leg Adopted Budget*	*2015-17 Leg Approved Budget*	*2017-19 Agency Request Budget*	*2017-19 Governor's Budget*	*2017-19 Leg Adopted Budget*
089-00-00-00000	**Capital Construction**						
	Other Funds	79,401,530	-	-	-	-	-
TOTAL AGENCY							
	General Fund	1,933,379,158	2,120,607,875	2,139,964,413	3,327,761,627	-	-
	Lottery Funds	10,591,632	11,292,544	11,348,753	12,456,604	-	-
	Other Funds	5,407,081,290	5,826,877,776	5,925,795,632	5,845,059,946	-	-
	Federal Funds	9,361,254,188	11,507,591,934	12,495,944,547	12,329,068,697	-	-
	All Funds	16,712,306,268	19,466,370,129	20,573,053,345	21,514,346,874	-	-

Oregon Health Authority
2017-2019 Agency Request Budget
Revenue Narrative

Forecast methods and assumptions

Revenue for the Oregon Health Authority (OHA) comes from multiple funding sources classified as the state General Fund, Other Funds, Lottery Funds and Federal Funds. There are four major methodologies used to project revenues for the Authority:

The category of expenditures based on estimated Average Daily Populations (ADP) and Cost per Case (CPC) is mainly used for federal entitlement grants. Grant cycles and where they fall within the biennium are considered for block grants. Assumptions are made to project the amount of funds that will be received. These assumptions consist of prior grant averaging and the anticipated effect of federal budget changes. The historical receipt trends method is used for Other Funds sources such as collections of overpayments and fees, unless the agency has additional information such as anticipated special projects that would increase revenue or a temporary need for additional staff. Where appropriate, reports from the Office of Economic Analysis are used—Lottery Funds, for example—and analysis from other state agencies that collect revenues for distribution to OHA—Beer and Wine tax, for example.

OHA projects revenues based on assumptions that take into account:

- Essential packages that adjust the existing base budget to the 2017-19 modified current service level (MCSL) for all legislatively approved programs, where those adjustments would have an impact on revenues. Essential packages include phasing in or out of program changes, one-time costs, Department of Administrative Services inflation factor, mandated caseload changes, and any needed fund shifts;
- Applicable federal funding limits and requirements, including the availability of state funds to meet matching or maintenance of effort (MOE) requirements;
- Changes in federal policies that affect federal revenues available for OHA programs;

- Policy Option Packages that generate new sources of revenue;
- Expected non-mandated program caseload changes; and
- Any recent changes in state or federal statutes and regulations that will affect the availability or timing of revenue receipts.

Fee schedules and proposed increases

OHA utilizes many fees as funding sources. The majority of these fees are in Public Health. See Fee Listing Report for details.

Significant known federal revenue changes or risk factors

TMSA (Tobacco Master Settlement Agreement)

The Department of Justice administers the settlement funds paid to the state by tobacco manufacturers. Although not dedicated to medical assistance programs, OHA receives a portion of the settlement for health care and mental health programs.

Tobacco settlement revenues are currently undetermined. The Master Settlement Agreement (MSA) allows the tobacco companies to withhold funds if they can show that states have not properly enforced the escrow provision of the agreement. The companies have satisfied two of the three provisions for withholding funds.

Monies from the MSA fund programs in Health Systems Division, Public Health Tobacco Prevention and Education efforts and Community Mental Health.

- Revenue estimate for 2015-17 at LAB is $101.8 million for Health Systems Division, $4 million for Public Health, and $16 million for Community Mental Health.
- Revenue estimate for OHA at 2017-19 ARB is $121.9 million: $101.8 million for Medicaid, $4.1 million for Public Health and $16 million for Non-Medicaid programs.

Major funding sources

The following section identifies the major funding sources for OHA. All references to a grant “Title” are referencing the originating statute in the federal Social Security Act.

Federal funds

Access to Recovery Grant (ATR)

ATR is a continuation of a major federal initiative supported by the Substance Abuse and Mental Health Services Administration (SAMHSA), Center for Substance Abuse Treatment (CSAT). This discretionary grant program represents a major system change for addiction services. ATR includes several unique requirements: An emphasis is placed on recovery support services such as peer-delivered mentoring, coaching, recovery housing, transportation, child care, care coordination and other supports vs. traditional treatment. The state may not "grant" funds to intermediaries or providers, but must administer services using a "voucher system". Oregon has selected Web Infrastructure for Treatment Services (WITS) as its voucher management system platform. There must be "free and independent choice" in the selection of recovery and treatment services among ATR participants. This means there must be at least two options provided to people seeking an array of services including community and faith-based options.

This grant currently funds OHA Health Systems Division. The funding projection is based on the grant cycle. The old grant ended September 29, 2014. The new grant began May 1, 2015, and will end April 30, 2018.

- Revenue estimated for 2015-17 LAB is $4.7 million
- Revenue estimated for 2017-19 ARB is $4.7 million

Center for Mental Health Services block grant (CMHS)

Federal CMHS funds are granted to states to carry out activities in the Health Systems Division plan for adults with serious mental illness and children with serious emotional disturbances. At least 35 percent of the service funding of each grant must be expended for mental health services for children. Funds for children are contracted in all counties throughout the state. At least 5 percent of the funding must support evidence-based programs that address the needs of individuals with early serious mental illness.

This grant currently funds Health Systems Division programs. The funding projection is based on the grant cycle.

- Revenue estimated for 2015-17 LAB is $13.0 million
- Revenue estimated for 2017-19 ARB is $13.6 million

Maternal and Child Health Grant (Title V)

The Maternal and Child Health Grant (MCHG) enables states to maintain and strengthen their leadership in planning, promoting, coordinating and evaluating health care for pregnant women, mothers, infants, and children, including children with special health care needs. Grant funds also promote leadership in providing health services for mothers and children who do not have access to adequate health care. MCHG is a formula grant partially based on the state's population of children in poverty. States must expend $3 for every $4 of federal funds they receive.

This grant currently funds Public Health programs. The Maternal and Child Health (MCH) Block Grant will request approximately $12.3 million federal funds for the 2017-19 fiscal years. Presently 30 percent ($3.65 million) of the award is transferred to the Oregon Health Science's University- Institute on Development and disability (IDD) as an earmark requirement for health services for children with special health care needs.

- Revenue estimated in 2015-17 LAB is $11.8 million
- Revenue estimated in 2017-19 ARB is $11.8 million

Medicaid (Title XIX)

Medicaid provides reimbursement to states for medical care and related services to low income and other medically needy individuals. This includes financing for:

- Health care services provided under the Oregon Health Plan;
- Private insurance premium;
- Long-term care in institutional and community-based care settings;
- Some client care provided in state hospitals;
- Residential treatment services to adults and youth;
- Central administration of alcohol and drug programs;

- Medical and non-medical transportation for Medicaid eligible individuals;
- Family planning services for individuals not enrolled in the Oregon Health Plan;
- Uncompensated care provided by hospitals serving a high proportion of Medicaid and uninsured individuals.

State General Funds or Other Funds must be used to match federal Medicaid dollars for administration and direct service payments. The administration match rate is primarily 50 percent. A 75 percent federal fund match is available for skilled professional medical personnel, certification of nursing facilities, and related information systems activities, including the Medicaid Management Information System (MMIS) computer system support and Preadmission Screening and Resident Review (PASRR) activities. The current average federal Title XIX match rate for service payments to providers for the 2015-17 biennium is 64.37 percent and 63.55 percent for 2017-19. The cost of services and supplies for Family Planning is matched at 90 percent. The Breast and Cervical Cancer **(**Treatment**)** program which is an optional Medicaid program receives the CHIP Title XXI match rate of 95.19 percent in the 2015-17 biennium and an enhanced rate of 97.49 percent in the 2017-19 biennium. The current average federal Title XIX match rate for service providers in 2017-19 is 63.55 percent.

Most of these services in Oregon are provided through Medicaid programs that require waivers of federal requirements. The Oregon Health Plan is the largest of these waiver programs under Section 1115 of the SSA, followed by six waivers operated under Section 1915(c) authority. OHA must obtain approval from the federal Centers for Medicare and Medicaid Services (CMS) to make changes to its Medicaid program whether the changes are Medicaid state plan services or waiver services. This approval process can be lengthy, sometimes affecting the timing of program changes and the receipt of associated federal revenues.

In July 2012, CMS approved a comprehensive amendment to Oregon Health Plan waiver to implement health system transformation. In support of health system transformation, the federal government agreed to additional Medicaid funding under the Designated State Health Programs (DSHP). The program authorizes the state to claim federal matching funds for certain state health-related expenditures and program costs that are not otherwise eligible for Medicaid matching funds.

Medicaid currently funds services in all OHA program areas. Projection methods for service expenditures include the use of

estimated Average Daily Populations (ADP) and Cost per Case (CPC) for administrative charges, use of time and effort, and other measures. Title XIX currently provides funding to programs in all sectors of OHA. The projection method used to calculate funding is expenditures based on estimated ADP and CPC.

- Revenue estimated for 2015-17 LAB is $10.1 billion
- Revenue estimated for 2017-19 ARB is $11 billion
- These funds require a state funding match

Public Health federal fund grants

Public Health receives over 90 categorical federal fund grants targeting specific activities. The variety of programs administered by Public Health using federal funds include, but are not limited to, Cancer Prevention, Emerging Infections, Immunization, HIV prevention and care, Water System Revolving Fund, Beach Safety Assessment and Monitoring, Diabetes Reduction and Disaster Preparedness.

Public Health federal fund grants currently finance programs in Public Health. Public Health projects federal fund grant revenue using applicable federal funding limits and requirements, including the availability of state funds to meet matching or maintenance of effort (MOE) requirements.

- Revenue estimated for 2015-17 LAB is $253.3 million*
  *Excluding $102.7 million Non-limited WIC funds
- Revenue estimated for 2017-19 ARB is $270.4 million*
  *Excluding $102.7 million Non-limited WIC funds

Nutrition and Health Screening (WIC) program

The Nutrition and Health Screening – Woman, Infants & Children (WIC) program is a fully federally funded program that provides individual assessment of growth and health as well as education and counseling on nutrition and physical activity. This includes promoting a healthy lifestyle and preventing chronic diseases such as obesity. The program also provides breastfeeding education and support and referrals to other preventive health and social services.

Services are provided to lower-income women who are pregnant or postpartum and breastfeeding, and children under the age of 5 who have a health or nutrition risk. During 2013, local programs served 155,055 women, infants and children. This includes 45 percent of all infants born in the state; 57 percent of all infants born in rural counties; and one in three Oregon children under the age of 5. More than 69 percent of those served are from working families.

- Revenue budgeted in 2015-17 LAB is $ 153.8 million
- Revenue estimated for 2017-19 ARB is $157.8 million

Children's Health Insurance Program (Title XXI)

The Children's Health Insurance Program (CHIP) provides federal matching funds to the state for medical care of children through age 18 who do not have insurance but whose parents earn too much for traditional Medicaid. These services are covered through the Oregon Health Plan administered by the Health Systems Division. Average enhanced federal Title XXI match rate for the 2015-17 biennium is 95.07 percent.

The projection method used to calculate available funds are expenditures based on estimated Average Daily Populations (ADP) and Cost per Case (CPC).

- Revenue budgeted for 2015-17 LAB is $341.2 million
- Revenue budgeted for 2017-19 ARB is $348 million Unlimited federal funds: Federal Entitlement Program

Substance Abuse Prevention Treatment grant (SAPT)

The Substance Abuse Prevention Treatment grant (SAPT) provides monies to fund most alcohol and drug programs and some administrative costs. States that receive the funds must meet federal requirements: 20 percent of the grant must be spent on prevention, and service levels must be maintained for specified populations, such as women and women with children. The one qualifying factor for this grant is that the state must expend a minimum of state and local revenues on SAPT-related services to meet the maintenance of effort requirement. The grant is 100 percent federal funds.

This grant currently funds programs in Health Systems Division. The fund projection is based on grant cycle methodology.

- Revenue estimated for 2015-17 LAB is $40.0 million

- Revenue estimated for 2017-19 ARB is $40.0 million

Temporary Assistance for Needy Families (TANF; Title IV-A)

Under the Personal Responsibility and Work Act of 1996 (PRWOA), Oregon is eligible to receive an annual Temporary Assistance for Needy Families (TANF) federal block grant. In order to qualify for this grant, the state must expend a minimum of state and local revenues on TANF related services to meet federal maintenance of effort requirements (MOE).

Some of these state and federal revenues fund Temporary Assistance to Needy Families (TANF) eligible services. In Oregon, these services are Cash Assistance for single and two parent families, DV Emergency Assistance, and Employment and Training (JOBS) services that are part of the Department of Human Services (DHS). OHA and other agencies also use TANF revenue to fund related programs such as alcohol and drug treatment services, transportation, and housing assistance for homeless persons. Administrative and direct service costs can also be reimbursed using TANF revenues. Administrative costs are limited to no more than 15 percent of total TANF expenditures, with certain limited exceptions.

The block grant concept, under which TANF operates, places restraints on service delivery. Federal funds are capped, which means no federal revenue is available for increasing program costs. This limitation on revenue requires Oregon to essentially self-fund any program increases.

This grant currently funds Non-Medicaid programs in Health Systems Division. The method used to project revenue is the grant cycle.

- Revenue estimated for 2015-17 LAB is $1.9 million
- Revenue estimated for 2017-19 ARB is $1.9 million

Oregon Strategic Prevention Framework-Partnership for Success (OSPF-PFS)

OSPF-PFS is a five-year grant (ending Sep 29, 2019). Oregon is one of 21 sub-recipients to receive the 2014 Partnership for Success-Strategic Prevention Framework grant from SAMHSA. The goal of the grant is to address two of the nation's top substance abuse prevention priorities: (1) underage drinking among persons aged 12 to 20; and (2) prescription drug misuse and

abuse among persons aged 12 to 25. Oregon will also include high risk drinking for ages 18-25 as a priority to maintain the work to continue the work started with the Strategic Prevention Framework-State Incentive Grant.

This program will be funded in Public Health. The length of funding is up to five years for $2,016,000 each year for a total of $10,080,000.

- Revenue estimated for 2015-17 LAB is $4.0 million

Health Policy Programs federal grants

Health Policy Programs has successfully applied for and has been awarded a number of federal grants. The primary grants are from the U.S. Department of Health and Human Services Health Resources and Services Administration (HRSA) that help support a variety of health reform and transformation activities across several areas of the OHA, including an ongoing cooperative agreement with HRSA's Primary Care Office for supporting state efforts to increase access to primary care including designation of workforce shortage areas that assist communities to recruit providers and/or sustain clinical resources. The Office of Information Technology (OHIT) receives more than half of its budget from 100% federal HITECH Act funding to provide federal incentive payments to Oregon hospitals and providers under Oregon's Medicaid Electronic Health Record Incentive Program.

- Revenue budgeted in 2015-17 LAB is $109.5 million
- Revenue estimated for 2017-19 ARB is $94.4 million

Other Funds

Public Employees' Benefit Board (PEBB)

The Public Employees' Benefit Board (PEBB) designs, purchases and administers the benefit program for benefit-eligible state employees. By statute, PEBB has two revenue sources. ORS 243.165 appropriates to the Public Employees' Benefit Account an amount not to exceed 2 percent of the monthly employer and employee contributions to benefits. The amount is currently 0.35 percent. Revenues from this account pay administrative expenses that are PEBB's operating costs. ORS 243.167 continuously appropriates to the Public Employees' Revolving Fund balances to cover expenses incurred in connection with the administration of employee benefits. Revenues from this account pay premiums and premium equivalents for medical, dental,

and optional benefits.

This revenue currently funds Public Employees' Benefit Board operating costs and premium payment for employee medical, dental, and optional benefits. The budget amount is based on an actuarial projection of a premium composite rate per employee per month.

- Revenue budgeted in 2013-15 LAB is $1.5 billion
- Revenue estimated for 2015-17 ARB is $1.8 billion

Oregon Educators Benefits Board (OEBB)

The Oregon Education Benefit Board has two sources of revenue authorized in statute for funding operating expenses and establishing a stabilization fund. ORS 243.880 established the Oregon Educators Benefit Account to cover administration expenses. The revenue source authorized for deposit in this account is generated through an administrative assessment built into benefit premiums. The assessment is capped at 2 percent of total monthly premiums. By statute (ORS 243.882), the balance in the account cannot exceed 5 percent of the monthly total of employer and employee contributions for more than 120 days.

ORS 243.884 establishes the Oregon Educators Revolving Fund to pay premiums, control expenditures, provide self-insurance and subsidize premiums. The revenue source is the monthly premium collections which are reconciled and passed-through to the insurance carriers for payment of premiums. The interest earnings retained on the premium collection pass-through enable OEBB to generate a reserve fund for stabilizing premiums.

This revenue currently funds the Oregon Educators Benefit Board (OEBB).

- Revenue budgeted in 2015-17 LAB: $1.54 billion
- Revenue estimated for 2017-19 ARB: $1.66 billion

Health Licensing Office (HLO)

The Health Licensing Office (HLO) operates solely as a 100% Other Funded office. HLO regulates over 70,000 authorizations among 14 boards and programs, including over 4,800 facilities. HLO provides services to office clients on a daily basis and

sets, communicates, licenses and enforces regulatory standards for the multiple health and related professions it oversees. HLO achieves its mission by collecting revenues from applications, examinations, authorizations, authorization renewals, charges for services, fines and forfeitures, sales income and interagency agreements.

Revenues collected from each board and council fund the Administrative Services, Fiscal Services, Licensing, and the Regulatory Operations units in HLO. Each board and council is required to pay part of the overall office budget determined by the allocation of service costs attributed to each board and council. Estimated revenues are based on projected trends in the 2017-19 biennium.

- Revenue budgeted in 2015-17 LAB is $7.2 million
- Revenue estimated for 2017-19 ARB is $8.2 million

Beer and wine revenue

Beer and wine revenue is collected by the Oregon State Liquor Commission (OLCC) based on a set percentage of tax revenues. Revenue is used for all alcohol and drug programs. OLCC provides an estimate of anticipated beer and wine tax revenue. These revenues currently fund programs in Health Systems Division.

- Revenue estimated for 2015-17 LAB is $18.0 million
- Revenue estimated for 2017-19 ARB is $17.8 million

Drug rebates

The Omnibus Budget Reconciliation Act of 1990 requires drug manufacturers to provide rebates from drugs purchased by state Medicaid programs. The Health Systems Division projects these rebates using past expenditure history and expected future trends. Rebates are collected quarterly for the previous quarter's drug claims and based upon rates that are transmitted to the states by Centers for Medicare & Medicaid Services. The state’s rebate contractor generates and mails invoices for each manufacturer based on the number of units dispensed for each drug product made by that manufacturer. Prior period adjustment invoices are also generated quarterly for any previous invoices not paid or necessary adjustments based upon dispute resolution. Checks from manufacturers are received by accounting; the rebate contractor receives a copy of the accompanying “Reconciliation of State Invoice” indicating what payments are being made by line item. This information is

tracked for future invoicing. If there are disputes on payment, that information is tracked and worked toward resolution by the rebate contractor. The drug rebate revenue received is based on the OHP fee-for-service drug expenditures forecast and uses the historical percentage of revenue compared to expenditures.

The Affordable Care Act (ACA) affects the drug rebates received. ACA requires CMS to revise the calculations it uses as determinants of the unit rebate amount. ACA also requires that a portion of these rebates be returned to the federal government, resulting in a reduction in the rebate amount previously received by OHA. In addition, effective March 23, 2010, ACA required that states collect rebates from drug manufacturers on all prescription drugs paid for by Medicaid managed care organizations. The Authority began to invoice manufacturers late in the
2009-2011 biennium retroactive to the effective date. These funds currently support Health Systems Division.

- Revenue estimated for 2015-17 LAB: $85 million
- Revenue estimated for 2017-19 ARB: $130 million

Fees and premiums

Public Health generates Other Funds revenue from fees for activities in such areas as licensing of facilities, including hospital and special inpatient care facilities; registration inspection and testing of X-ray equipment; and testing and certification of Emergency Medical Technicians.

Mental Health uses licensing fees to finance the cost of certifying private mental health agencies that wish to bill private insurance companies.

Fees and premiums currently fund programs in OHA Health Systems Division, Public Health and Medical Assistance Programs. The projection method used is historical receipt trends.

Health Policy generates Other Funds revenue from fees. The Other Funds include a fee-supported program for the Conrad J-1 Visa Program (HB 2151; ORS 409.745) and a loan repayment program (Primary Care Provider Loan). Other fund fees are also

generated for Healthcare Workforce Data Collection and Reporting, Ambulatory Surgery Reporting, Health Care Data Reporting and Common Credentialing.

Law Enforcement Medical Liability Account (LEMLA)

This program was a pilot project during the 1991-93 biennium. The 1993 Legislature permanently approved continuing the program commencing with the 1993-95 biennium. The program is funded with Other Funds revenue from assessments added to fines and bail forfeitures paid into the courts system. LEMLA makes payments to medical providers for services to persons injured as a result of efforts by law enforcement. A small portion of this fund is used to administer the program.

This fund currently supports Health Systems Division. The projection method is based on estimates from Department of Revenue and Justice.

- Revenue estimated in 2015-17 LAB: $1.3 million
- Revenue estimated in 2017-19 ARB: $1.3 million

Hospital Assessment

Under HB 2395 (2015 Legislative Session), the Oregon Legislature extended the hospital assessment to September 30, 2019. As required by Oregon law, the Director of OHA sets the hospital assessment rate after consulting with hospital representatives. The assessment is imposed on both inpatient and outpatient net revenues from diagnosis-related group (DRG) hospitals. The assessment rate is continually evaluated to determine if any adjustment to the rate is needed to meet funding targets. The hospital assessment provides funding for the Oregon Health Plan, enhanced reimbursement to hospitals, and incentive payments to hospitals meeting performance metrics. Absent future legislative action, the hospital assessment will expire September 30, 2019.

- Revenue in 2015-17 LAB is estimated to be: $965.3 million
- Revenue in 2017-19 ARB is estimated to be: $1.0 billion

Public Health Other Funds sources

Public Health has more than 130 sources of Other Funds revenue. These revenue sources include negotiated agreements to

provide services, lab fees, inspection fees, certification fees, grant awards, client co-pays and other charges. The large number of revenue streams reflects the variety of programs and services administered by Public Health. These diverse programs include: Cavity Prevention, Tobacco Prevention, Juvenile Violence Prevention, Medical Marijuana Certification, Environmental Laboratory Accreditation, Coordinated School Health, Breast Cancer Screening, Radiation Control, Drinking Water Operator Certification, Health Records and Statistics, Newborn Screening, and Cross Connection, Backflow Inspection, and the Health Licensing Office which regulates over 70,000 authorizations among 14 boards and councils, including 4,800 facilities. The Agency Request Budget includes the addition of $.9 million OF fee revenue for Fee establishments and adjustments. See Fee Listing Report for details.

The largest other fund revenue source supporting Public Health programs is the non-limited Women, Infants, and Children (WIC) infant formula rebate. Public Health projects other fund revenue sources using historic data, contract agreements, anticipated levels of service and changes to fees.

- Revenue budgeted for 2015-17 LAB is $ 193.2 million
- Revenue estimated in 2017-19 ARB is $186.5 million*
  *Including $40.0 million non-limited WIC Infant Formula rebate

Tobacco tax

Tobacco tax revenues approved in 1996 Ballot Measure 44 were appropriated to the Department of Human Services, and subsequently to OHA at its inception in 2011. The revenues support additional program delivery positions to perform eligibility determinations for the Oregon Health Plan and also support OHP caseloads. The Office of Economic Analysis forecasts Tobacco tax revenue using a 12-month moving average consumption level developed from the Department of Revenue's tax distribution record data. Price effects and per capita consumption effects are applied, as well as the forecast for the 18-year-old and older population.

The tobacco tax currently provides revenue for Health Systems Division and Public Health.

- Revenue estimated in 2015-17 LAB is $300 million
- Revenue estimated in 2017-19 ARB is $333 million

Third Party Liability Recoveries

The Third Party Recovery Program recovers medical portions of the collections from insurance companies, providers, and clients, and cash assistance by filing liens on personal injury settlements when clients are involved in accidents. The state's share of the recovery becomes Other Fund revenue used in the Health Systems Division to offset Medicaid expenditures.

The Office of Payment Accuracy and Recovery (OPAR) includes five units that recover Medicaid related funds: Overpayment Recovery Unit, Estates Administration Unit, Medical Payment Recovery Unit, Personal Injury Liens Unit and the Provider Audits Unit.

A number of factors will affect recoveries in the coming two biennia, including OPAR's efforts to increase cost avoidance efforts through provider education and an emphasis on up-front payment accuracy and coordination of benefits. Increased cost avoidance results in fewer dollars being paid out by the program and directly impacts the amount of recovery to be expected.

Recovery program funds currently support Health Systems Division.

Lottery funds

The Legislature has the authority to allot funds to OHA. ORS 461.549 reserves 1 percent of the state's lottery proceeds for OHA. For the 2013-2015 biennium, HB 5030 sets Lottery proceeds allotted to OHA at a fixed amount of $10.5 million. Lottery funds may be used only for problem gambling treatment and prevention services.

Lottery funds currently support programs in Health Systems Division. Projections are based on amounts provided by the Department of Administrative Services Office of Economic Analysis.

- Revenue budgeted in 2015-17 LAB is $9 million
- Revenue estimated for 2017-19 ARB is $12.4 million

Recreational Marijuana Tax

OHA is expected to receive 5 percent of the recreational Marijuana taxes that will be collected by the Department of Revenue in 2015-17 after the passage of Measure 91 in February 2014.

Marijuana tax revenue will support the “Mental Health Alcoholism and Drug Services Account” and the “Alcohol and Drug Abuse Prevention” program within Health Systems Division These funds will be used for outreach and recovery efforts in the Alcohol and Drugs Prevention & Treatment program. Projections are based on amounts provided by the Department of Revenue.

- Revenue budgeted for 2015-17 LAB is $2.16 million
- Revenue budgeted for 2017-19 ARB is $2.96 million

Oregon Health Authority Agency Level 44300-000-00-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
GENERAL FUND					
REVENUES					
General Fund Appropriation	0050	GF	1,933,995,531	2,139,964,413	3,327,761,627
TOTAL REVENUES		**GF**	**1,933,995,531**	**2,139,964,413**	**3,327,761,627**
TRANSFER OUT					
Transfer to General Fund	2060	GF	-	-	-
TOTAL TRANSFERS OUT		**GF**	**-**	**-**	**-**
TOTAL GENERAL FUNDS		**GF**	**1,933,995,531**	**2,139,964,413**	**3,327,761,627**
LOTTERY FUNDS					
TRANSFERS OUT					
Beginning Balance	0025	LF	343,446	-	-
Transfers from Administrative Services	1107	LF	10,592,542	11,348,753	12,456,604
TOTAL TRANSFERS OUT		**LF**	**10,935,988**	**11,348,753**	**12,456,604**
TOTAL LOTTERY FUNDS		**LF**	**10,935,988**	**11,348,753**	**12,456,604**
OTHER FUNDS					
REVENUES					
Beginning Balance	0025	OF	432,576,415	16,736,254	2,192,230,821
Beginning Balance Adjustment	0030	OF	-	495,705,682	-
Other Selective Taxes	0190	OF	952,987,065	947,852,010	974,010,711
Business License & Fees	0205	OF	9,370,575	12,780,000	12,780,000

Oregon Health Authority Agency Level 44300-000-00-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
Non-Business License & Fees	0210	OF	13,460,027	16,747,558	16,747,558
Charges for Services	0410	OF	24,105,946	24,641,444	24,641,444
Administrative Service Charges	0415	OF	1,716,551,725	3,312,292,932	3,535,079,097
Care of State Wards	0420	OF	12,689,833	2,369,042	2,369,042
Fines and Forfeitures	0505	OF	275,946	112,152	112,152
Rents and Royalties	0510	OF	76,213	-	-
General Fund Obligation Bonds	0555	OF	84,735,698	32,665	-
Refunding Bonds	0575	OF	30,077,623	-	-
Certificates of Participation	0580	OF	-	17,335	-
Interest Income	0605	OF	9,017,512	4,982,172	4,982,172
Sales Income	0705	OF	6,485,740	7,924,013	7,924,013
Donations	0905	OF	334,420	283,030	283,030
Grants (Non-FED)	0910	OF	1,107,742	1,343,201	1,188,283
Loan Repayment	0925	OF	554,718	-	-
Insurance Premiums	0965	OF	74,865,860	-	-
Other Revenues	0975	OF	1,738,608,155	930,901,202	780,130,119
Loan Proceeds	0980	OF	50,000,000	-	-
TOTAL REVENUES		**OF**	**5,157,881,213**	**5,774,720,692**	**7,552,478,442**

Oregon Health Authority Agency Level 44300-000-00-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
TRANSFER IN					
Transfer in Intrafund	1010	OF	319,379,188	-	725,501
Transfer in Other	1050	OF	-	12,161,127	12,161,127
Transfer in General Fund	1060	OF	-	699,615	725,501
Transfer in Administrative Services	1107	OF	120,100,000	121,880,000	100,599,400
Transfer from Prof counsel/Thrpsts	1108	OF	-	-	22,290
Transfer from Licensed Social Wkrs	1124	OF	-	-	22,000
Transfer in Revenue Department	1150	OF	375,409,066	360,955,340	355,992,338
Transfer in State Police	1257	OF	145,621	-	-
Transfer in Department of Energy	1330	OF	69,932	49,924	51,771
Transfer from Oregon Youth Authority	1415	OF	732,723	232,038	240,623
Transfer in Consumer Business Services	1440	OF	15,341,917	-	-
Tsfr From Oregon Health Authority	1443	OF	153,452,379	-	-
Transfer in HECC	1525	OF	12,350	-	-
Transfer in Education	1581	OF	1,284,084	1,322,340	1,273,413
Transfer in Agriculture	1603	OF	116,225	244,049	253,079
Transfer in Department of Transportation	1730	OF	445,080	-	-

Oregon Health Authority Agency Level 44300-000-00-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
Transfer From Chiropractic Exam, Bd	1811	OF	-	-	11,600
Transfers in Health Lic Agency	1831	OF	2,512,785	-	-
Transfer in Health Relations Licensing Board	1833	OF	48,496	45,400	45,400
Transfer in Board of Dentistry	1834	OF	412,510	401,128	226,800
Transfer in Liquor Control Commission	1845	OF	17,345,471	17,996,500	18,697,500
Transfer in Oregon Medical Board	1847	OF	1,655,349	1,645,210	937,552
Transfer in Board of Nursing	1851	OF	1,828,071	2,146,431	2,180,281
Transfer in Board of Pharmacy	1855	OF	625,570	526,344	409,357
Transfer in Housing and Commercial Services	1914	OF	204,832	-	-
TOTAL TRANSFERS IN		**OF**	**1,011,121,649**	**520,305,446**	**494,575,533**
TRANSFER OUT					
Transfer to Intrafund	2010	OF	(319,379,188)	-	(725,501)
Transfer to General Fund	2060	OF	-	(120,000,000)	-
Transfer to Counties	2080	OF	(6,938,188)	(7,198,600)	(7,198,600)
Transfer to Health Relations Licensing Board	2833	OF	-	(987,107)	(987,107)
TOTAL TRANSFERS OUT		**OF**	**(326,317,376)**	**(128,185,707)**	**(8,911,208)**
TOTAL OTHER FUNDS		**OF**	**5,842,685,486**	**6,166,840,431**	**8,038,142,767**

Oregon Health Authority Agency Level 44300-000-00-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
FEDERAL FUNDS					
REVENUES					
Federal Funds Revenue	0995	FF	9,372,104,007	12,515,660,423	12,348,812,016
TOTAL REVENUES		**FF**	**9,372,104,007**	**12,515,660,423**	**12,348,812,016**
TRANSFERS IN					
Transfer in OR Business Development	1123	FF	55,219	-	-
TOTAL TRANSFERS IN			55,219	-	-
TRANSFERS OUT					
Transfer to Economic & Community Development	2123	FF	(9,576,629)	(18,284,000)	(17,432,000)
Transfer to Environmental Quality	2340	FF	(1,298,409)	(1,431,876)	(1,459,319)
TOTAL TRANSFERS OUT		**FF**	**(10,875,038)**	**(19,715,876)**	**(18,891,319)**
TOTAL FEDERAL FUNDS		**FF**	**9,361,284,188**	**12,495,944,547**	**12,329,920,697**
TOTAL AVAILABLE REVENUES		**TF**	**17,148,901,193**	**20,814,098,144**	**23,708,281,695**

DETAIL OF FEE, LICENSE, OR ASSESSMENT REVENUE INCREASE

PROPOSED FOR INCREASE/ESTABLISHMENT

Purpose or Type of Fee, License or Assessment	Who Pays	2015-17 Estimated Revenue	2017-19 Agency Request	2017-19 Governor's Budget	2017-19 Legislatively Adopted	Explanation
Construction Project Plans Review Fees-cost range $0-$49,999 - Hlth. Care. Fac.	Health Care Facilities (HCF)	0	18,720			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $0-$49,999 - Res. Care/Asst. Liv.	Residential Care/Assisted Living Facilities (RC/ALF)	0	4,160			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $0-$1,999 - Hlth Care Fac.	Health Care Facilities (HCF)	0	0			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $0-$1,999-Res Care/Asst Liv	Residential Care/Assisted Living Facilities (RC/ALF)	0	0			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $2,000-$4,999-Hlt Care Fac.	Health Care Facilities (HCF)	0	0			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $2,000-4,999 - Res. Care/ Asst. Living	Residential Care/Assisted Living Facilities (RC/ALF)	0	0			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $5,000-$9,999 - Health Care Fac.	Health Care Facilities (HCF)	0	7,800			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $5,000-$9,999 - Res. Care/Asst. Liv.	Residential Care/Assisted Living Facilities (RC/ALF)	0	1,040			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $10,000-$19,999- Hlt Care Fac.	Health Care Facilities (HCF)	0	9,400			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $10,000-$19,999 - Res. Care/Asst. Liv.	Residential Care/Assisted Living Facilities (RC/ALF)	0	2,508			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $20,000-$29,999 - Hlt Care Fac.	Health Care Facilities (HCF)	0	10,900			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $20,000-$29,999- Res. Care/Asst. Liv.	Residential Care/Assisted Living Facilities (RC/ALF)	0	2,908			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $30,000-$39,999 - Hlt Care Fac.	Health Care Facilities (HCF)	0	15,000			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $30,000-$39,999 - Res. Care/Asst. Liv.	Residential Care/Assisted Living Facilities (RC/ALF)	0	3,332			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $40,000-$49,999 - Hlth. Care. Fac.	Health Care Facilities (HCF)	0	18,720			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $40,000-$49,999 - Res. Care/Asst. Liv.	Residential Care/Assisted Living Facilities (RC/ALF)	0	4,160			Increase in Facilities Plan Review fees due to budgetary demands

DETAIL OF FEE, LICENSE, OR ASSESSMENT REVENUE INCREASE

PROPOSED FOR INCREASE/ESTABLISHMENT

Purpose or Type of Fee, License or Assessment	Who Pays	2015-17 Estimated Revenue	2017-19 Agency Request	2017-19 Governor's Budget	2017-19 Legislatively Adopted	Explanation
Construction Project Plans Review Fees-cost range $50,000-$99,999 - Hlth Care Fac.	Health Care Facilities (HCF)	0	79,220			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $50,000-$99,999 - Res. Care Fac./Asst. Liv.	Residential Care/Assisted Living Facilities (RC/ALF)	0	6,212			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $100,000-$249,999 - Hlth Care Fac.	Health Care Facilities (HCF)	0	225,040			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $100,000-$249,999 - Res. Care/Asst. Liv.	Residential Care/Assisted Living Facilities (RC/ALF)	0	25,870			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $250,000-$574,999 - Hlth Care Fac.	Health Care Facilities (HCF)	0	298,480			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $250,000-$574,999 - Res. Care/Asst. Liv.	Residential Care/Assisted Living Facilities (RC/ALF)	0	42,636			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $575,000-$999,999 - Res. Care Fac./Asst. Liv.	Residential Care/Assisted Living Facilities (RC/ALF)	0	48,400			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $575,000-$999,999- Hlt Care Fac.	Health Care Facilities (HCF)	0	246,840			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $1,000,000-$2,999,999 - Hlth. Care Fac.	Health Care Facilities (HCF)	0	309,760			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $1,000,000-$2,999,999 - Res. Care/Asst. Liv.	Residential Care/Assisted Living Facilities (RC/ALF)	0	77,436			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $3,000,000-$5,999,999- Hlt Care Facility	Health Care Facilities (HCF)	0	133,100			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $3,000,000-$5,999,999- Res. Care/Asst. Living	Residential Care/Assisted Living Facilities (RC/ALF)	0	70,984			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $6,000,000-$9,999,999 - Hlt Care Fac.	Health Care Facilities (HCF)	0	94,980			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $6,000,000-$9,999,999 - Res. Care Fac./Asst. Liv.	Residential Care/Assisted Living Facilities (RC/ALF)	0	21,106			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $10,000,000-$29,999,999 - Hlth Care Fac.	Health Care Facilities (HCF)	0	133,200			Increase in Facilities Plan Review fees due to budgetary demands

DETAIL OF FEE, LICENSE, OR ASSESSMENT REVENUE INCREASE

PROPOSED FOR INCREASE/ESTABLISHMENT

Purpose or Type of Fee, License or Assessment	Who Pays	2015-17 Estimated Revenue	2017-19 Agency Request	2017-19 Governor's Budget	2017-19 Legislatively Adopted	Explanation
Construction Project Plans Review Fees-cost range $10,000,000-$29,999,999 - Res. Care/Asst. Liv.	Residential Care/Assisted Living Facilities (RC/ALF)	0	59,200			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $30,000,000-$500,000,000 - Hlt Care	Health Care Facilities (HCF)	0	0			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $30,000,000-$500,000,000 - Res. Care/Asst. Liv.	Residential Care/Assisted Living Facilities (RC/ALF)	0	0			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $500,000,000 and above - Hlt Care Fac.	Health Care Facilities (HCF)	0	0			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $500,000,000 and above - Res. Care/Asst. Liv.	Residential Care/Assisted Living Facilities (RC/ALF)	0	0			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $30,000,000-$49,999,999 - Hlt. Care	Health Care Facilities (HCF)	0	0			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $30,000,000-$49,999,999 - Res. Care/Asst. Liv.	Residential Care/Assisted Living Facilities (RC/ALF)	0	0			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $50,000,000-$69,999,999 - Hlth Care Fac.	Health Care Facilities (HCF)	0	0			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $50,000,000-$69,999,999 - Res. Care/Asst. Liv.	Residential Care/Assisted Living Facilities (RC/ALF)	0	0			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $70,000,000 and above - Hlth Care Fac.	Health Care Facilities (HCF)	0	0			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-cost range $70,000,000 and above - Res. Care/Asst. Liv.	Residential Care/Assisted Living Facilities (RC/ALF)	0	0			Increase in Facilities Plan Review fees due to budgetary demands
Construction Project Plans Review Fees-fee for additional inspection (multiphase projects only) - Res. Care/Asst. Living	Residential Care/Assisted Living Facilities (RC/ALF)	0	4,000			Increase in Facilities Plan Review fees due to budgetary demands
In Home Healthcare Initial License -Annual	Facility Owner	0	0			Increase in In-Home Healthcare fees due to budgetary demands
In Home Healthcare Initial License Subunit - Annual	Facility Owner	0	0			Increase in In-Home Healthcare fees due to budgetary demands
In Home Healthcare License Renewal - Annual	Facility Owner	0	0			Increase in In-Home Healthcare fees due to budgetary demands
In Home Healthcare License Renewal Subunit - Annual	Facility Owner	0	0			Increase in In-Home Healthcare fees due to budgetary demands

DETAIL OF FEE, LICENSE, OR ASSESSMENT REVENUE INCREASE

PROPOSED FOR INCREASE/ESTABLISHMENT

Purpose or Type of Fee, License or Assessment	Who Pays	2015-17 Estimated Revenue	2017-19 Agency Request	2017-19 Governor's Budget	2017-19 Legislatively Adopted	Explanation
In Home Healthcare Ownership Change	Facility Owner	0	0			Increase in In-Home Healthcare fees due to budgetary demands
In Home Healthcare Ownership Change Subunit	Facility Owner	0	0			Increase in In-Home Healthcare fees due to budgetary demands
In Home Healthcare Initial License - Limited - Annual	Facility Owner	0	0			Increase in In-Home Healthcare fees due to budgetary demands
In Home Healthcare Renewal License - Limited - Annual	Facility Owner	0	35,100			Increase in In-Home Healthcare fees due to budgetary demands
In Home Healthcare Initial License - Basic - Annual	Facility Owner	0	8,000			Increase in In-Home Healthcare fees due to budgetary demands
In Home Healthcare Renewal License - Basic - Annual	Facility Owner	0	3,600			Increase in In-Home Healthcare fees due to budgetary demands
In Home Healthcare Initial License - Intermediate - Annual	Facility Owner	0	0			Increase in In-Home Healthcare fees due to budgetary demands
In Home Healthcare Renewal License - Intermediate - Annual	Facility Owner	0	21,600			Increase in In-Home Healthcare fees due to budgetary demands
In Home Healthcare Initial License - Comprehensive - Annual	Facility Owner	0	21,000			Increase in In-Home Healthcare fees due to budgetary demands
In Home Healthcare Renewal License - Comprehensive - Annual	Facility Owner	0	362,600			Increase in In-Home Healthcare fees due to budgetary demands
Hospice Agencies - New License - Relating to Licensing and Inspection of a facility	Facility Owner	0	121,980			Increase in Hospice Agency fees due to budgetary demands
Hospice Agencies - Renewal - Relating to Licensing and Inspection of a facility	Facility Owner	0	0			Increase in Hospice Agency fees due to budgetary demands
Newborn Screening one specimen kit	submitters	64,000	118,000			Add new tests to the newborn screening test panel. No change in number of fee payers. OAR change only; no statutory change needed.
Newborn Screening two specimen kit	submitters	5,516,800	6,896,000			Add new tests to the newborn screening test panel. No change in number of fee payers. OAR change only; no statutory change needed.
Newborn Screening three specimen kit	submitters	64,000	80,000			Add new tests to the newborn screening test panel. No change in number of fee payers. OAR change only; no statutory change needed.
ORELAP Tier 1 Out of State Lab Application Fee - Annual - Primary	laboratories	48,400	52,800			Fee ratification; filed 6/9/2016. Add new technologies to enable accreditation of cannabis testing laboratories; add other new technologies; increase out-of-state lab fees. OAR change only; no statutory

DETAIL OF FEE, LICENSE, OR ASSESSMENT REVENUE INCREASE

PROPOSED FOR INCREASE/ESTABLISHMENT

Purpose or Type of Fee, License or Assessment	Who Pays	2015-17 Estimated Revenue	2017-19 Agency Request	2017-19 Governor's Budget	2017-19 Legislatively Adopted	Explanation
ORELAP Tier 2 Out of State Lab Application Fee - Annual - Primary	laboratories	58,080	63,360			Fee ratification; filed 6/9/2016. Add new technologies to enable accreditation of cannabis testing laboratories; add other new technologies; increase out-of-state lab fees. OAR change only; no statutory
ORELAP Tier 3 Out of State Lab Application Fee - Annual - Primary	laboratories	246,840	269,280			Fee ratification; filed 6/9/2016. Add new technologies to enable accreditation of cannabis testing laboratories; add other new technologies; increase out-of-state lab fees. OAR change only; no statutory
ORELAP Tier 1 Out of State Lab Application Fee - Annual - Secondary	laboratories	33,275	36,300			Fee ratification; filed 6/9/2016. Add new technologies to enable accreditation of cannabis testing laboratories; add other new technologies; increase out-of-state lab fees. OAR change only; no statutory
ORELAP Tier 2 Out of State Lab Application Fee - Annual - Secondary	laboratories	14,520	15,840			Fee ratification; filed 6/9/2016. Add new technologies to enable accreditation of cannabis testing laboratories; add other new technologies; increase out-of-state lab fees. OAR change only; no statutory
ORELAP Tier 3 Out of State Lab Application Fee - Annual - Secondary	laboratories	72,600	79,200			Fee ratification; filed 6/9/2016. Add new technologies to enable accreditation of cannabis testing laboratories; add other new technologies; increase out-of-state lab fees. OAR change only; no statutory
ORELAP Basic Field of Testing Assessment Fee - Out of State - First Program	laboratories	13,420	14,640			Fee ratification; filed 6/9/2016. Add new technologies to enable accreditation of cannabis testing laboratories; add other new technologies; increase out-of-state lab fees. OAR change only; no statutory
ORELAP Basic Field of Testing Assessment - Out of State - Each Additional Program	laboratories	744	806			Fee ratification; filed 6/9/2016. Add new technologies to enable accreditation of cannabis testing laboratories; add other new technologies; increase out-of-state lab fees. OAR change only; no statutory
ORELAP Moderate Field of Testing Assessment - Out of State - First Program	laboratories	106,337	115,962			Fee ratification; filed 6/9/2016. Add new technologies to enable accreditation of cannabis testing laboratories; add other new technologies; increase out-of-state lab fees. OAR change only; no statutory
ORELAP Moderate Field of Testing Assessment - Out of State - Each Additional Program	laboratories	3,298	3,604			Fee ratification; filed 6/9/2016. Add new technologies to enable accreditation of cannabis testing laboratories; add other new technologies; increase out-of-state lab fees. OAR change only; no statutory
ORELAP Complex Field of Testing Assessment - Out of State - First Program	laboratories	111,980	122,100			Fee ratification; filed 6/9/2016. Add new technologies to enable accreditation of cannabis testing laboratories; add other new technologies; increase out-of-state lab fees. OAR change only; no statutory

DETAIL OF FEE, LICENSE, OR ASSESSMENT REVENUE INCREASE

PROPOSED FOR INCREASE/ESTABLISHMENT

Purpose or Type of Fee, License or Assessment	Who Pays	2015-17 Estimated Revenue	2017-19 Agency Request	2017-19 Governor's Budget	2017-19 Legislatively Adopted	Explanation
ORELAP Complex Field of Testing Assessment - Out of State - Each Additional Program	laboratories	4,575	5,000			Fee ratification; filed 6/9/2016. Add new technologies to enable accreditation of cannabis testing laboratories; add other new technologies; increase out-of-state lab fees. OAR change only; no statutory
ORELAP Advanced Technology Field of Testing - Out of State - First Program	laboratories	43,200	43,200			Fee ratification; filed 6/9/2016. Add new technologies to enable accreditation of cannabis testing laboratories; add other new technologies; increase out-of-state lab fees. OAR change only; no statutory
ORELAP Advanced Technology Field of Testing - Out of State - Each Additional Program	laboratories	0	0			Fee ratification; filed 6/9/2016. Add new technologies to enable accreditation of cannabis testing laboratories; add other new technologies; increase out-of-state lab fees. OAR change only; no statutory
ORELAP Advanced Technology Field of Testing - Oregon - First Program	laboratories	80,000	80,000			Fee ratification; filed 6/9/2016. Add new technologies to enable accreditation of cannabis testing laboratories; add other new technologies; increase out-of-state lab fees. OAR change only; no statutory
ORELAP Advanced Technology Field of Testing - Oregon - Each Additional Program	laboratories	9,000	9,000			Fee ratification; filed 6/9/2016. Add new technologies to enable accreditation of cannabis testing laboratories; add other new technologies; increase out-of-state lab fees. OAR change only; no statutory

X Agency Request _____Governor's Budget _____Legislatively Adopted Budget Page _____

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Health Authority — **Agency Number: 44300**

2017-19 Biennium — **Cross Reference Number: 44300-000-00-00-00000**

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Lottery Funds						
Tsfr From Administrative Svcs	10,592,542	11,292,544	11,348,753	12,456,604	-	-
Total Lottery Funds	**$10,592,542**	**$11,292,544**	**$11,348,753**	**$12,456,604**	**-**	**-**
Other Funds						
Other Selective Taxes	952,987,065	912,852,010	947,852,010	974,010,711	-	-
Business Lic and Fees	9,370,575	12,780,000	12,780,000	12,780,000	-	-
Non-business Lic. and Fees	13,460,027	16,747,558	16,747,558	16,747,558	-	-
Charges for Services	24,105,946	24,641,444	24,641,444	24,641,444	-	-
Admin and Service Charges	1,612,868,815	3,312,803,780	3,312,292,932	3,535,079,097	-	-
Care of State Wards	12,689,833	2,369,042	2,369,042	2,369,042	-	-
Fines and Forfeitures	275,946	112,152	112,152	112,152	-	-
Rents and Royalties	76,213	-	-	-	-	-
General Fund Obligation Bonds	84,735,698	32,665	32,665	-	-	-
Cert of Participation	-	17,335	17,335	-	-	-
Interest Income	6,792,603	4,982,172	4,982,172	4,982,172	-	-
Sales Income	6,485,740	7,924,013	7,924,013	7,924,013	-	-
Donations	334,420	283,030	283,030	283,030	-	-
Grants (Non-Fed)	1,107,742	1,343,201	1,343,201	1,188,283	-	-
Loan Repayments	554,718	-	-	-	-	-
Insurance Premiums	478,270	-	-	-	-	-
Other Revenues	134,399,631	735,133,625	787,401,202	740,130,119	-	-
Loan Proceeds	50,000,000	-	-	-	-	-
Transfer In - Intrafund	319,379,188	-	-	725,501	-	-
Transfer In Other	-	-	12,161,127	12,161,127	-	-
Transfer from General Fund	-	699,615	699,615	725,501	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Health Authority — **Agency Number: 44300**
2017-19 Biennium — **Cross Reference Number: 44300-000-00-00-00000**

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Other Funds						
Tsfr From Administrative Svcs	120,100,000	121,880,000	121,880,000	100,599,400	-	-
Tsfr From Prof Counsel/Thrpsts	-	-	-	22,290	-	-
Tsfr From Licensed Social Wkrs	-	-	-	22,000	-	-
Tsfr From Revenue, Dept of	375,409,066	360,955,340	360,955,340	355,992,338	-	-
Tsfr From Police, Dept of State	145,621	-	-	-	-	-
Tsfr From Energy, Dept of	69,932	49,924	49,924	51,771	-	-
Tsfr From Or Youth Authority	732,723	232,038	232,038	240,623	-	-
Tsfr From Consumer/Bus Svcs	15,341,917	-	-	-	-	-
Tsfr From Oregon Health Authority	153,452,379	-	-	-	-	-
Tsfr From HECC	12,350	-	-	-	-	-
Tsfr From Education, Dept of	1,284,084	1,322,340	1,322,340	1,273,413	-	-
Tsfr From Agriculture, Dept of	116,225	244,049	244,049	253,079	-	-
Tsfr From Transportation, Dept	445,080	-	-	-	-	-
Tsfr From Chiropractic Exam, Bd	-	-	-	11,600	-	-
Tsfr From Health Lic Agency	2,512,785	-	-	-	-	-
Tsfr From Health Rel Lic Bds	48,496	45,400	45,400	45,400	-	-
Tsfr From Board of Dentistry	412,510	401,128	401,128	226,800	-	-
Tsfr From Or Liquor Cntrl Comm	17,345,471	17,996,500	17,996,500	18,697,500	-	-
Tsfr From Oregon Medical Board	1,655,349	1,645,210	1,645,210	937,552	-	-
Tsfr From Nursing, Bd of	1,828,071	2,146,431	2,146,431	2,180,281	-	-
Tsfr From Board of Pharmacy	625,570	526,344	526,344	409,357	-	-
Tsfr From Housing and Com Svcs	204,832	-	-	-	-	-
Transfer Out - Intrafund	(26,232,248)	-	-	(725,501)	-	-
Transfer to General Fund	-	(120,000,000)	(120,000,000)	-	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Health Authority — **Agency Number: 44300**

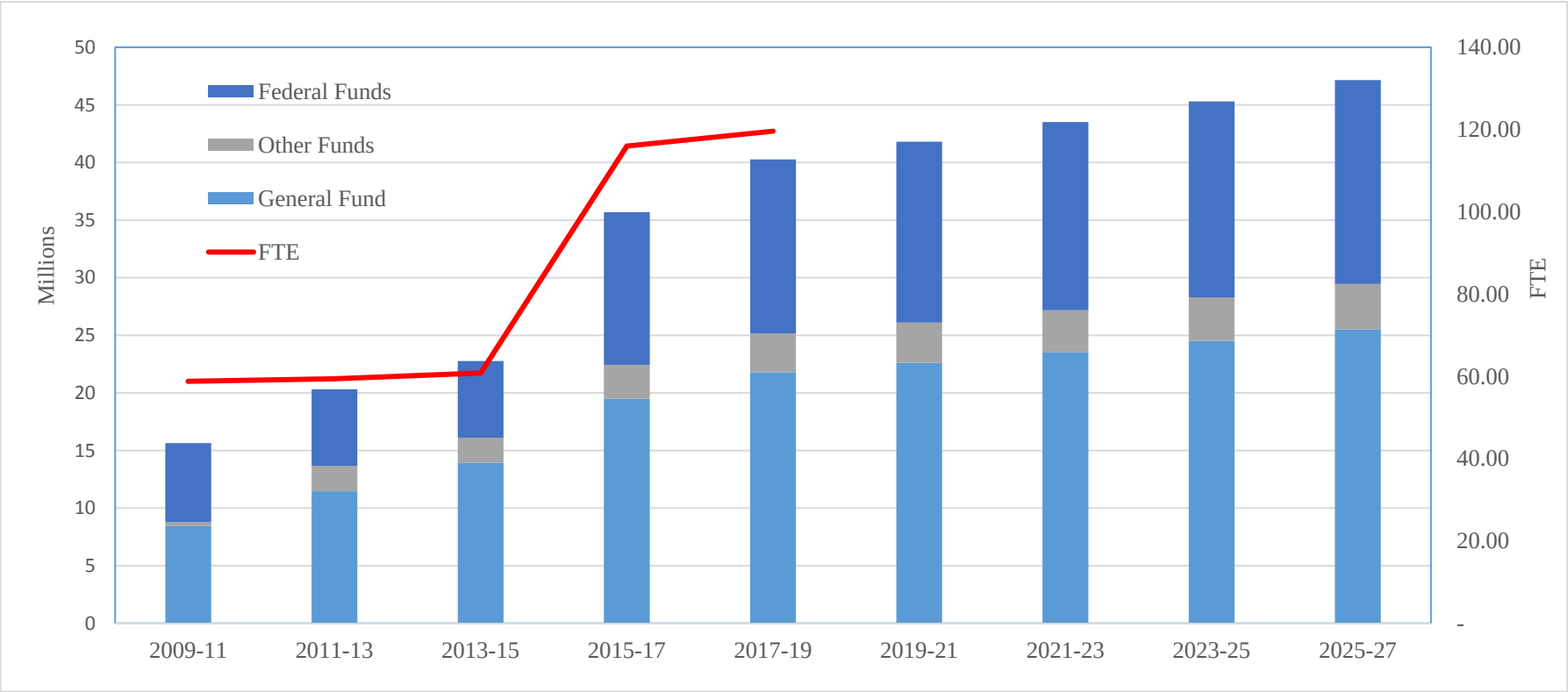
2017-19 Biennium — **Cross Reference Number: 44300-000-00-00-00000**

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Other Funds						
Transfer to Counties	(6,938,188)	(7,198,600)	(7,198,600)	(7,198,600)	-	-
Tsfr To Health Rel Lic Bds	-	(987,107)	(987,107)	(987,107)	-	-
Total Other Funds	**$3,888,674,455**	**$5,411,980,639**	**$5,510,898,495**	**$5,805,911,946**	**-**	**-**
Federal Funds						
Federal Funds	9,270,266,883	11,420,654,787	12,409,007,400	12,242,363,655	-	-
Tsfr From OR Business Development	55,219	-	-	-	-	-
Tsfr To OR Business Development	(9,576,629)	(18,284,000)	(18,284,000)	(17,432,000)	-	-
Tsfr To Environmental Quality	(1,298,409)	(1,431,876)	(1,431,876)	(1,459,319)	-	-
Total Federal Funds	**$9,259,447,064**	**$11,400,938,911**	**$12,389,291,524**	**$12,223,472,336**	**-**	**-**
Nonlimited Other Funds						
Admin and Service Charges	103,682,910	-	-	-	-	-
Refunding Bonds	30,077,623	-	-	-	-	-
Interest Income	2,224,909	-	-	-	-	-
Insurance Premiums	74,387,590	-	-	-	-	-
Other Revenues	1,604,208,524	143,500,000	143,500,000	40,000,000	-	-
Transfer Out - Intrafund	(293,146,940)	-	-	-	-	-
Total Nonlimited Other Funds	**$1,521,434,616**	**$143,500,000**	**$143,500,000**	**$40,000,000**	**-**	**-**
Nonlimited Federal Funds						
Federal Funds	101,837,124	106,653,023	106,653,023	106,448,361	-	-
Total Nonlimited Federal Funds	**$101,837,124**	**$106,653,023**	**$106,653,023**	**$106,448,361**	**-**	**-**

OREGON HEALTH AUTHORITY: OHA CENTRAL SERVICES

Program Unit Executive Summary

Long term focus areas: Safer, Healthier Communities; Excellence in State Government
Primary contact: Janell Evans, Budget Director
503-945-5775



Program overview

OHA Central Services supports the OHA mission by providing leadership in key policy and business areas. It includes:

- Director's Office
- Fiscal and Operations Division
- Office of Equity and Inclusion
- External Relations Division

Program funding request

For the 2017-2019 biennium, the Oregon Health Authority requests the following budget (in millions) for Central Services:

- 2017-2019 Request: $40.3 TF ($21.8 GF, $3.4 OF and $15.1 FF)

From this investment, OHA Central Services will provide critical business support necessary to achieve the agency's mission: helping people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to high-quality, affordable health care.

The Oregon Health Authority estimates the following costs (in millions) for OHA Central Services through the 2023-2025 biennium:

- 2019-2021 Projected Costs: $41.8 TF ($22.7 GF, $3.4 OF and $15.7 FF)
- 2021-2023 Projected Costs: $43.6 TF ($23.6 GF, $3.7 OF and $16.3 FF)
- 2023-2025 Projected Costs: $45.3 TF ($34.5 GF, $3.8 OF and $17.0 FF)
- 2025-2027 Projected Costs: $47.1 TF ($25.6 GF, $3.9 OF and $17.6 FF)

Program description

The Director's Office is responsible for overall leadership, policy and development, and administrative oversight for the Oregon Health Authority. This office coordinates with the Governor's Office, the Legislature, other state and federal agencies, tribes, partners and stakeholders, local governments, advocacy and client groups, and the private sector.

The Director's Office provides leadership in achieving the agency's mission. OHA's clear direction is to innovate, improve and transform the state health care system to meet three goals:

- Improve the lifelong health of all Oregonians
- Increase the quality, reliability and availability of care for all Oregonians

- Lower or contain the cost of care so it is affordable to everyone

The Fiscal and Operations Division provides operational support and services to the Oregon Health Authority. The division includes the following functional areas:

- Health Care Finance – Coordinating and overseeing program financing policies and collaborating for strategic finance decisions. Reviewing and evaluating coordinated care organizations' financial reports and data.
- Budget – Developing, coordinating, executing, monitoring and managing OHA budgets within divisions and across the agency.
- Central Operations – Supporting agency operations.
- Human Resources – Providing recruitment and staffing, employee relations, organization and employee development, risk management, and human resource regulatory compliance.
- Program Integrity – Coordinating, overseeing and implementing program integrity functions.
- Performance Excellence – Providing continuous improvement and quality management services.

The Office of Equity and Inclusion (OEI) works on behalf of the Oregon Health Authority and the broader health system in Oregon to ensure the elimination of avoidable health care gaps and to promote optimal health in Oregon for everyone. The work is carried out in three major work units:

- Equity and Policy
- Compliance and Civil Rights
- Business Support and Administration

These units develop programs and initiatives relating to health equity policy and practice; access; diversity and inclusion; non-discrimination; the development of culturally and linguistically responsive practices and services; etc. The division engages community partners and stakeholders, and uses data and best practice research to carry out its work. The division's policy and program initiatives address social conditions and historical inequities faced predominantly by racially, ethnically, culturally and linguistically diverse populations of people so that Oregon can achieve greater health equity and a more robust and inclusive health delivery system.

The **External Relations Division** has three sub-divisions: Communications, Governmental Relations, and Advocacy. Together, they are responsible for building strong relationships with the public, media, Legislature, and other agencies at the state and federal levels, as well as creating a broad understanding of the many ways in which OHA contributes to the health and well-being of Oregonians.

- Governmental Relations is also responsible for the timely review and analysis of legislative concepts, and the development of strategies to engage in the legislative process.
- Under the larger umbrella of Advocacy are the Office of Consumer Activities and the OHA Ombudsperson. The Office of Consumer Activities advocates for improved behavioral health delivery and policy through consumer informed initiatives and programs while the OHA ombudsperson responds to customer calls related to all facets of OHA operations (with an emphasis on complaints related to Medicaid enrollment and eligibility) and reports to the Governor and Health Policy Board with OHP complaint trends and recommendations.
- Communications provides accurate and accessible information about OHA's mission and programs, responds to requests for information from the public and media and produces content for a wide range of agency publications, web sites and other channels for keeping the public informed.

Program justification and link to long-term outcomes

OHA Central Services provide critical business support necessary to achieve the agency's mission: helping people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to quality affordable health care.

Program performance

The Fiscal and Operations Division's The **Office of Human Resources** activities include but aren't limited to the following (average yearly metrics):

- ***6,549*** applications for a position in which HR manually grades each to determine minimum qualifications
- ***1,056*** hires
- ***286*** promotions and ***24*** transfers
- ***58*** HR investigations and ***39*** that required corrective action
- ***106*** manager fact findings and ***95*** that required corrective action
- ***89*** managers trained on the *Essentials of HR Management*

- ***2,049*** performance appraisals
- ***136*** classification reviews

The Office of Human Resources serves as a business partner to its customers. Through this partnership, HR provides proactive, comprehensive human resource services that supports the agency in achieving its mission and goals. HR works closely with internal customers on workforce initiatives and strategies at the program and agency level. We promote a healthy workplace culture of ongoing development and feedback to ensure the workforce has the needed skills to be successful and engaged. HR is committed to assisting the agency in moving towards the vision of a Healthy Oregon.

The division also includes agency budget functions. Budget staff implement and monitor the Oregon Health Authority budget of more than $20 billion Total Funds and more than $2 billion in General Fund dollars. The staff develop and update the agency budget as it progresses through the statewide budget process, including Agency Request Budget, Governor's Balanced Budget, the Legislatively Adopted Budget, rebalance reports and various Emergency Board actions.

In 2015, the **Office of Equity and Inclusion** completed the following:

- 646 traditional health workers (THW) certified, exceeding the requirement of 300 established by the U.S. Centers for Medicare and Medicaid Services (CMS)
- 189 health care interpreters (HCI) qualified and certified, representing seven languages and exceeding the goal of 150 established by CMS
- 130 community-based organizations represented and engaged in the Regional Health Equity Coalitions (RHEC) around the state
- 70 researchers engaged in quarterly Health Equity Researchers of Oregon (HERO) meetings, focusing on THWs
- 122 community trainings by Regional Health Equity Coalitions (RHEC) around the state (six RHECS cover 10 counties and the Confederated Tribes of Warm Springs)
- Six equity and inclusion coaches provide technical assistance to CCOs and OHA
- 48 potential civil rights matters resolved or referred
- 66 civil rights cases investigated or closed

- Five formally recognized employee resource groups (ERG), with a total of more than 125 members and allies
- $3,634,830 awarded to Minority, Women and Emerging Small Business (MWESB) certified vendors from July 2014 to July 2015
- Two DHS/OHA Leadership Academy cohorts (totaling approximately 70 individuals) trained in intercultural conflict styles

The External Relations Division, according to average annual metrics, provided or completed:

- Responds to more than 1,000 media requests per year
- Issues more than 100 news releases per year.
- Produces a wide variety of publications, including messages from the OHA director and other communications, which are opened by more than 5,000 people per month.

Enabling legislation/program authorization

The Oregon Legislature created and authorized the Oregon Health Authority under House Bill 2009, during the 2009 legislative session. All OHA program areas have accompanying federal and state legislative authority for the operations of their respective programs. See program narrative details for specific enabling legislation by program area.

Funding streams

Funding streams support OHA Central Services through a federally approved cost allocation plan. A grant allocation module aggregates costs on a monthly basis and charges those costs, as outlined in the federally approved plan, to state and federal funding sources.

Significant proposed program changes from 2015-2017

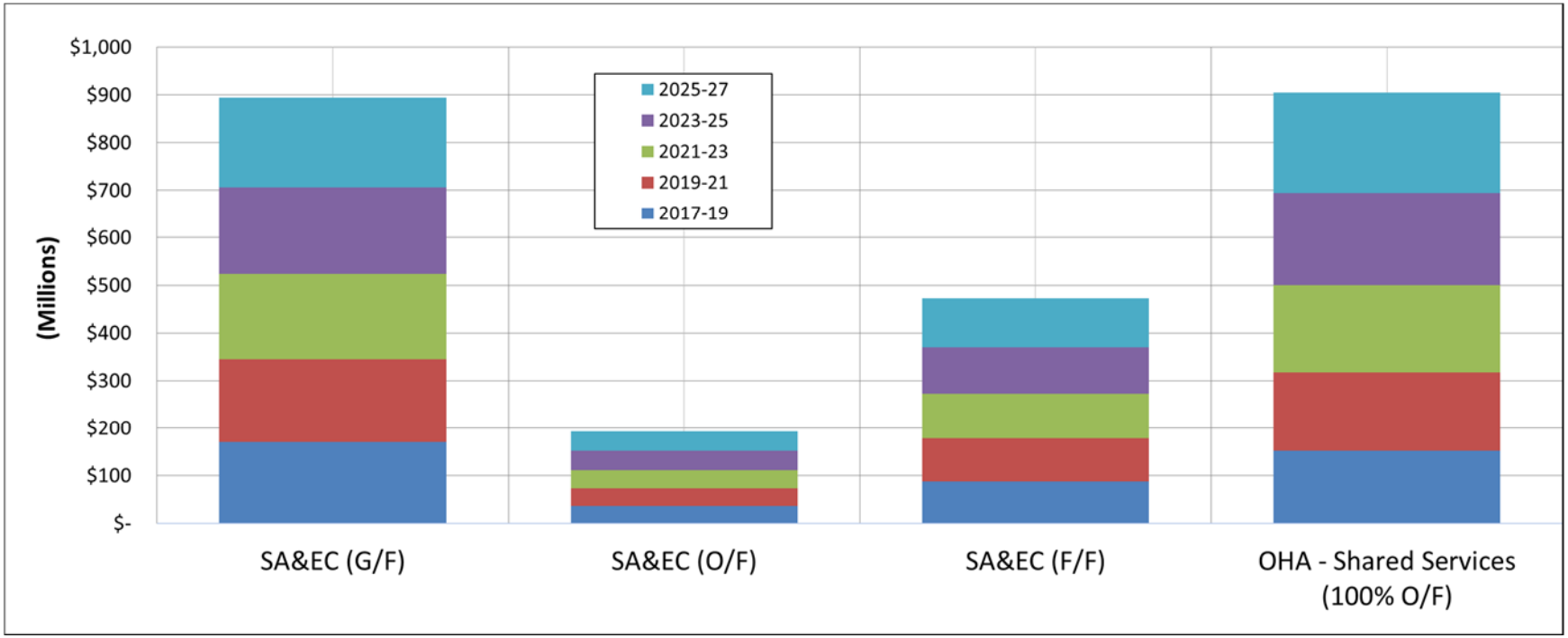
The agency is not proposing any significant changes to OHA Central Services.

Oregon Health Authority: OHA Shared Services and State Assessments and Enterprise-wide Costs

Program Unit Executive Summary

Long Term Focus Areas: Excellence in State Government

Program contact: Sara Singer, DHS/OHA Shared Services Budget Administrator
503-945-5629



Program overview

OHA Shared Services supports the Department of Human Services and Oregon Health Authority by providing leadership in the delivery of efficient, consistent and coordinated administrative services to all programs in both departments. OHA Shared Services contains the following programs:

- Office of Information Services
- Information Security and Privacy Office

OHA state assessments and enterprise-wide costs (SA&EC) includes the budget for costs that affect the entire agency.

State government service charges, price list

The Department of Administrative Services (DAS) charges a mandatory assessment to all state agencies (SGSC) and an estimated fee for service charge provided by the following programs and others not listed here:

- DAS - Chief Financial Office (CFO)
- DAS - E-Government Program
- DAS - Enterprise Security Office
- DAS - Chief Human Resources Office
- DAS – Office of the State's Chief Information Officer
- Secretary of State Audits Division
- State Controllers Division
- Enterprise Goods and Services (EGS) - procurement
- Oregon State Library
- Chief Operating Office
- All others

Risk Management Program, price list

Under ORS 278.405, DAS manages state government risk management and insurance programs. It has responsibility to:

- Provide insurance coverage for tort liability, state property, and workers' compensation
- Purchase insurance policies, develop and administer self-insurance programs
- Purchase risk management, actuarial and other required professional services
- Provide technical services in risk management and insurance
- Adopt rules and policies governing the administration of the state's insurance and risk management activities

State Data Center (SDC), price list

The State Data Center provides and manages a common computing and network infrastructure for state agencies and local governments. The SDC provides services in the following service areas:

- Mainframe
- Distributed services
- Midrange
- Disaster recovery
- Storage
- Network
- Voice

Telecom, price list

Telecommunications provides access to data and technology necessary to do business.

Facilities

Facilities provides coordination for DHS and OHA offices. Expenditures include:

- Rent or lease work space for staff (includes escalations and reconciliation costs)
- Lease building maintenance management (janitorial, repair and maintenance)
- Fuels and utilities (includes rate increases)
- DAS leasing fees and building rent
- Copier maintenance
- Professional services for furniture movers, installers and emergency repairs
- Attorney General cost for legal sufficiency reviews for leases, negotiations related to legal issues for facility related matters, and legal opinions
- Inventory replenishment
- Costs of systems furniture reconfigurations, building remodels, facilities relocations and staff moves

IT direct – internal computer replacement

Lifecycle replacement, repairs, and new computers for new positions. If the agency requests an upgrade or purchase that is not considered replacement, repair or a new computer for an existing employee, the purchase is charged to the program.

Shared Services funding

Funding is based on cost allocation statistics as applied to Shared Services office expenditures. The allocation method determines distribution of expenditures to OHA vs. DHS, and the revenue distribution by General Fund, Other Fund or Federal Fund.

Debt service

Debt service is the obligation to repay principal and interest on funds borrowed through the sale of certificates of participation (COPs) and bonds. The state uses proceeds of COPs and bonds to build and improve correctional facilities. They also are used to provide staff support for related activities including project management, community development coordination and fiscal services support. Repayment periods range from six to 26 years depending on the nature and value of the project. The Department of Administrative Services Capital Investment Section provides schedules of debt service obligations for each sale; these are the values used to develop the budget. Occasionally, the Capital Investment Section is able to refinance existing debt, which can reduce or delay debt obligations.

Mass transit

Transit taxes are employer taxes used to fund a mass transit district. These are not deducted from employee pay. The transit tax is imposed directly on the employer. The tax is figured only on the amount of gross payroll for services performed within the TriMet or Lane Transit Districts. This includes traveling sales representatives and employees working from home. The Oregon Department of Revenue administers tax programs. Nearly every employer who pays wages for services performed in these districts must pay transit payroll tax. It is based on state-only (General Funds) funding. Note: for the Agency Request Budget, this budget has been decentralized to conform to statewide processes.

Unemployment insurance

Benefits provide temporary financial assistance to workers unemployed through no fault of their own who meet Oregon's eligibility requirements. Invoiced and paid quarterly.

Treasury

This budget component was established to capture the Other Fund loan limitation and the GF appropriation for the loan interest payment for each agency sometime during the second year of the biennium. Loan and interest estimates are provided by Financial Services Cash Management Accountant.

Program funding requests

Shared Services	GF	OF	FF	TF
Personal Services	$ -	$ 129,142,771	$ -	$ 129,142,771
Services and Supplies	$ -	$ 36,331,911	$ -	$ 36,331,911
Capital Outlay	$ -	$ -	$ -	$ -
Special Payments	$ -	$ 742,345	$ -	$ 742,345
Agency Requested Budget 2017-19	$ -	$ 166,217,027	$ -	$ 166,217,027

SA&EC	GF	OF	FF	TF
Personal Services				$ -
Services and Supplies	$ 108,998,906	$ 31,851,219	$ 84,635,072	$ 225,485,197
Capital Outlay				$ -
Special Payments				$ -
Debt Services	$ 67,710,170		$ 3,719,310	$ 71,429,480
Agency Requested Budget 2017-19	$ 176,709,076	$ 31,851,219	$ 88,354,382	$ 296,914,677

Program description

Office of Information Services (OIS) is a shared service provider for DHS and OHA. It provides information technology (IT) systems and services for nearly 16,000 agency and partner staff at 350 local offices, Oregon State Hospital locations, public health laboratories and testing services for county health departments, medical and military facilities, and other locations statewide.

OIS provides support for more than 17,000 desktop computers and 2,600 printers. The Service Desk responds to more than 14,000 service requests each month.

OIS provides information systems and services to DHS and OHA staff and partners statewide in support of programs that:

- Determine client eligibility
- Provide medical, housing, food and job assistance
- Provide addiction, mental health, and vocational and rehabilitative services
- Protect children, seniors and people with physical and developmental disabilities
- Process claims and benefits
- Manage provider licensing and state hospital facilities
- Promote and protect public health
- Respond to and coordinate statewide disasters and health emergencies, and support the Health Alert Network and emergency preparedness activities

OIS also supports partners around the state that use DHS and OHA systems. These include:

- State agencies including the Oregon Department of Justice Division of Child Support, the Oregon Employment Department and others
- Cities and counties
- District attorney's offices
- Private hospitals

- Other computer centers

Many of the IT systems used by DHS, OHA and agency partners are needed 24 hours a day, seven days a week.

Information Security and Privacy Office (ISPO) is a shared service office providing information security services for DHS and OHA. ISPO uses business risk management practices to protect confidential information assets and educate staff, volunteers and partners on how to protect this information and report incidents when they occur.

The ISPO drivers include federal and state security regulations and audit findings, contractual and grant obligations, DHS security policies and procedures, legislative mandates and the Oregon Consumer Identity Theft Protection Act.

OHA State Assessments and Enterprise-wide Costs budget includes central government assessments and charges. This includes state government service charges, risk assessments, State Data Center charges, Secretary of State audit charges, mass transit charges, and information technology direct charges. This budget also includes all facilities costs including rent, maintenance, and utilities. Debt service is now included in this section as well.

In addition, the funding to pay for shared services received from both OHA and DHS is included in this budget. Funding streams in support of Shared Services are billed through a federally approved cost allocation plan. The model contains a billing allocation module and a grant allocation module.

Program justification and link to 10-year outcome

OHA Shared Services provide critical business supports necessary for OHA programs to achieve the agency's mission.

Its budget is structured and administered according to the following principles:

Control over major costs. OHA centrally manages many major costs. Some, such as many DAS charges, are essentially fixed to the agency. Others, such as facility rents, are managed centrally to control the costs. OHA Shared Services supports both DHS

and OHA by providing leadership in the delivery of efficient, consistent and coordinated administrative services to all programs within both departments.

Customer-driven shared services. With the creation of separate agencies, DHS and OHA agreed to maintain many administrative functions as shared services to minimize costs, avoid duplication of effort, maintain centers of excellence, and preserve standards that help the agencies work together.

DHS and OHA govern their shared services through a board of the two agencies' operational leaders. This approach ensures that shared services are prioritized and managed to support program needs. The board and its chartered subgroups have:

- Established service level agreements and performance measures for each service
- Selectively implemented mandated budget cuts
- Managed staff within the shared services deliver services in a rational way
- Begun implementing more integrated systems to support the performance of all our employees

Program performance

OIS and ISPO performance measures focus on customer service, system performance, responsiveness and information security. Other support areas have their own performance measures based on their systems and the services they provide. The following table provides an overview of OIS and ISPO customer measures.

Measure Name	RANGE Red	Yellow	Green	STATUS
Customer Service and Support				
Customer ticket resolution: Customer tickets resolved in first contact with the Service Desk.	<50%	50 - 69%	≥70%	55%
Call response: Calls to the Service Desk are answered less than 4 minutes.	<70%	70 - 79%	≥80%	100%
IT acquisition/purchase request response: Respond to IT acquisition/purchase requests within one (1) business week (five (5) working days), pending parts and availability.	<80%	80 - 89%	≥90%	90%
DHS/OHA network availability: The DHS/OHA network is available.	<80%	80 - 89%	≥90%	99%
Systems Applications Maintenance and Support				
System Availability - Email: Percent of time e-mail is available for our customers.	<98%	98 - 99%	>99%	99.9%
System Availability - Mainframe Environment: Percent of time mainframe environment is available for our customers.	<98%	98 - 99%	>99%	99.8%
System Availability - Medicaid Management Information System (MMIS): Percent of time MMIS application is available for our customers (contractual).	<99.6%	99.6 - 99.89%	>99.9%	99.9%
System Availability - OR-Kids System: Percent of time OR-Kids application is available for our customers.	<98%	98 - 99%	>99%	99.9%
System Availability - Avatar System: Percent of time OR-Kids application is available for our customers (contractual).	<99.6%	99.6 - 99.89%	>99.9%	99.9%
Information Security and Privacy				
Agreement Process Timeliness: Percent of Information Exchange agreements processed within 8 weeks.	<70%	70 - 85%	>85%	82%
Employee Required Training	<70%	70 - 89%	≥90%	95% - Info Security 93% - General Privacy

Enabling legislation/program authorization

HB 2009 created the Oregon Health Authority in 2009.

Funding streams

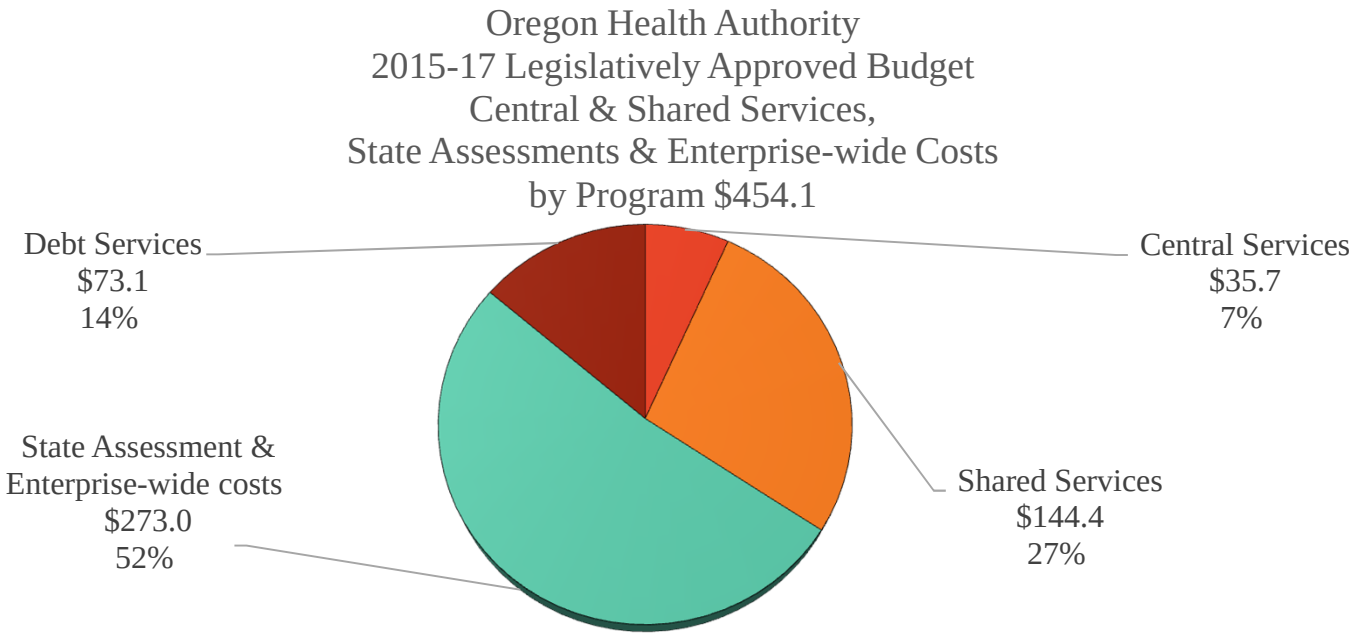
Funding streams in support of Shared Services are billed to through a federally approved cost allocation plan. The model contains a billing allocation module and a grant allocation module.

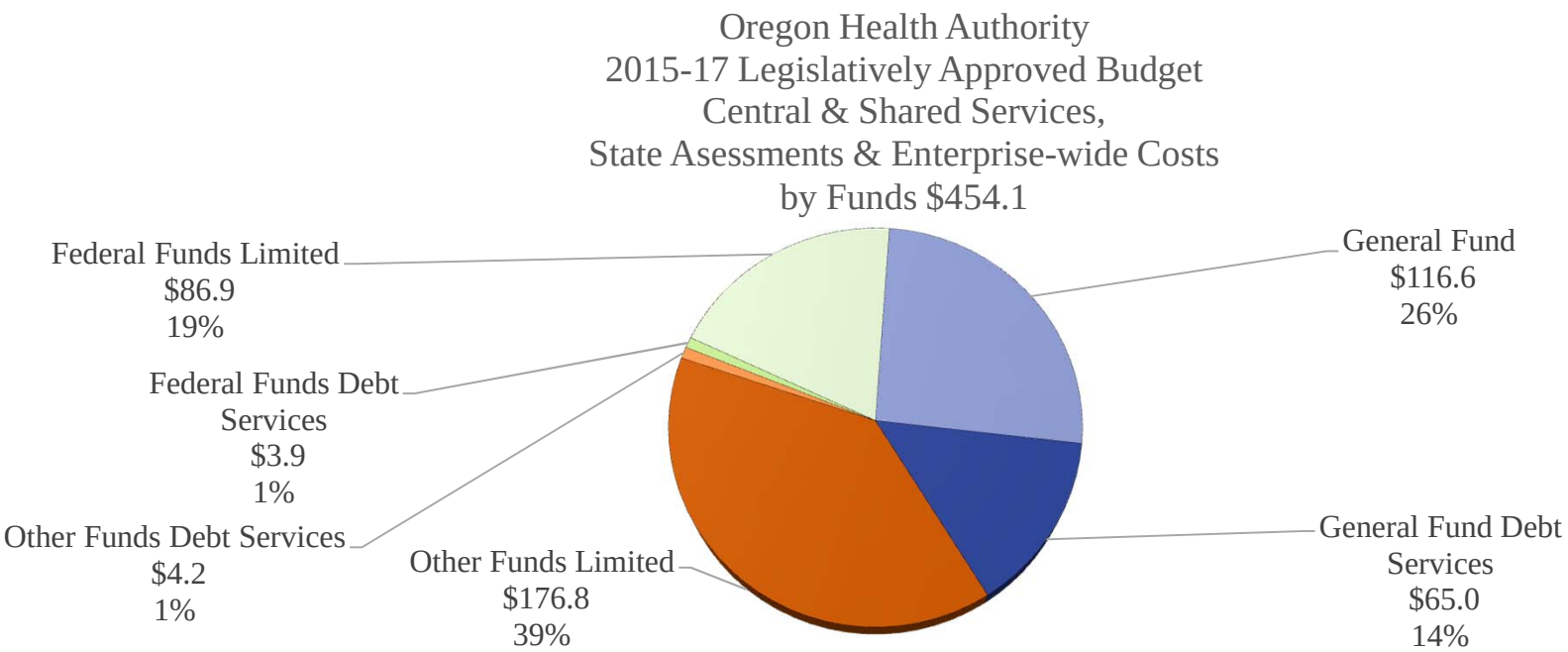
The billing allocation module first allocates Shared Services costs to the two agencies. The billing module then allocates the costs to customers within each agency. The grant allocation module allocates those costs to their respective state and federal funding sources.

Both modules allocate aggregated costs on a monthly basis as outlined in the federally approved plan.

Significant proposed program changes from 2015-2017

None.

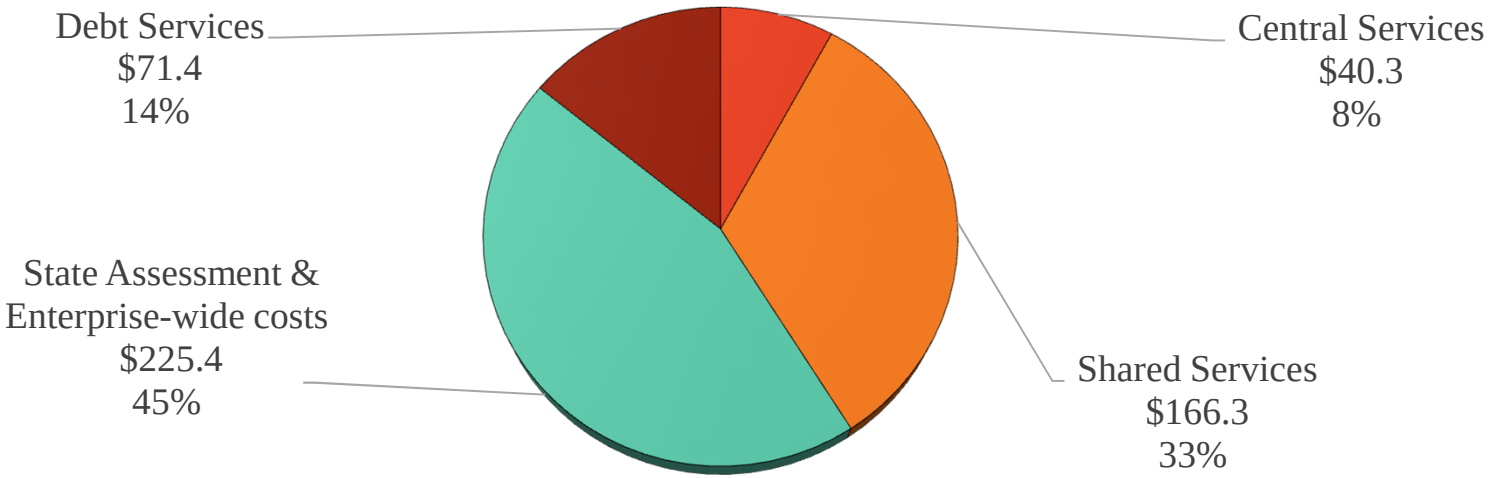

Oregon Health Authority
2015-17 Legislatively Approved Budget
Central & Shared Services,
State Assessments & Enterprise-wide Costs
by Program $454.1
Debt Services
$73.1
14%
Central Services
$35.7
7%
State Assessment &
Enterprise-wide costs
$273.0
52%
Shared Services
$144.4
27%


Oregon Health Authority
2015-17 Legislatively Approved Budget
Central & Shared Services,
State Asessments & Enterprise-wide Costs
by Funds $454.1
Federal Funds Limited
$86.9
19%
General Fund
$116.6
26%
Federal Funds Debt
Services
$3.9
1%
Other Funds Debt Services
$4.2
1%
Other Funds Limited
$176.8
39%
General Fund Debt
Services
$65.0
14%

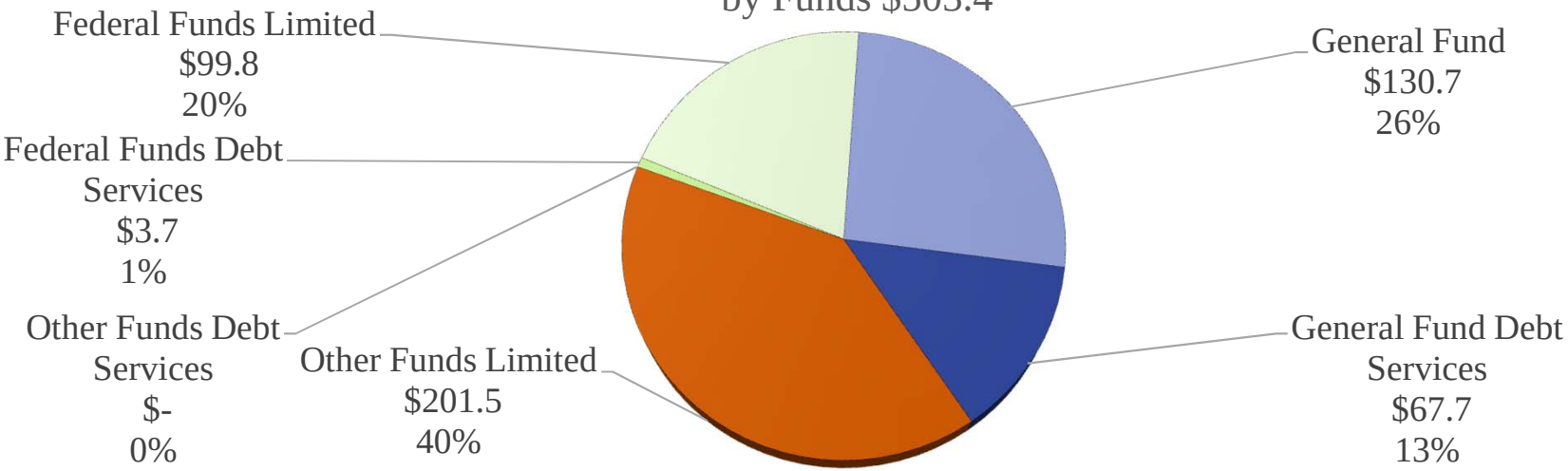
Central Services	$	35.7			
Shared Services	$	144.4	$	144.3	rounded up from 144.3 due to excel rounding difference
State Assessment & Enterprise-wide costs	$	273.0			
Debt Services	$	73.1			

General Fund	$	116.6			
General Fund Capital Improveme	$	-			
General Fund Debt Services	$	65.0			
Lottery Funds	$	-			
Other Funds Capital Improvemer	$	-			
Other Funds Non Limited	$	-			
Other Funds Limited	$	176.8			
Other Funds Debt Services	$	4.2			
Federal Funds Non Limited	$	-			
Federal Funds Debt Services	$	3.9			
Federal Funds Limited	$	86.9	$	86.80	rounded up from 86.8 due to excel rounding difference
Central & Shared Services, State	$	453.0			
Health Systems Programs	$	20,120.0			

Oregon Health Authority
2017-19 Agency Request Budget Total Funds
Central & Shared Services,
State Assessments & Enterprise-wide Costs
by Program $503.4



Central & Shared Services,
State Assessments & Enterprise-wide Costs
by Funds $503.4



Oregon Health Authority OHA Central Services 44300-010-40-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
GENERAL FUND					
REVENUES					
General Fund Appropriation	0050	GF	14,683,653	19,493,680	21,795,627
TOTAL REVENUES		**GF**	**14,683,653**	**19,493,680**	**21,795,627**
TOTAL GENERAL FUNDS		**GF**	**14,683,653**	**19,493,680**	**21,795,627**
OTHER FUNDS					
REVENUES					
Non-Business License & Fees	0210	OF	11,113	-	-
Administrative Service Charges	0415	OF	257,873	-	-
Interest Income	0605	OF	7,410	-	-
Other Revenues	0975	OF	2,193,361	2,938,620	3,356,867
TOTAL REVENUES		**OF**	**2,469,757**	**2,938,620**	**3,356,867**
TRANSFER IN					
Transfer in Intrafund	1010	OF	10,160	-	-
TOTAL TRANSFERS IN		**OF**	**10,160**	**-**	**-**
TOTAL OTHER FUNDS		**OF**	**2,479,917**	**2,938,620**	**3,356,867**
FEDERAL FUNDS					
REVENUES					
Federal Funds Revenue	0995	FF	9,172,344	13,261,325	15,116,934
TOTAL REVENUES		**FF**	**9,172,344**	**13,261,325**	**15,116,934**
TOTAL FEDERAL FUNDS		**FF**	**9,172,344**	**13,261,325**	**15,116,934**
TOTAL AVAILABLE REVENUES		**TF**	**26,335,914**	**35,693,625**	**40,269,428**

Oregon Health Authority OHA Shared Services 44300-010-45-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2013-15 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
REVENUES					
General Fund Appropriation	0050	GF	-	-	-
TOTAL REVENUES		**GF**	**-**	**-**	**-**
TOTAL GENERAL FUNDS		**GF**	**-**	**-**	**-**
OTHER FUNDS					
REVENUES					
Administrative Service Charges	0415	OF	122,384,960	-	-
Other Revenues	0975	OF	199,579	144,286,296	166,257,027
TOTAL REVENUES		**OF**	**122,584,539**	**144,286,296**	**166,257,027**
TOTAL OTHER FUNDS		**OF**	**122,584,539**	**144,286,296**	**166,257,027**
TOTAL AVAILABLE REVENUES		**TF**	**122,584,539**	**144,286,296**	**166,257,027**

Oregon Health Authority Statewide Assessments & Enterprise-wide Costs 44300-010-50-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
GENERAL FUND					
REVENUES					
General Fund Appropriation	0050	GF	73,048,481	97,079,851	108,914,605
TOTAL REVENUES		**GF**	**73,048,481**	**97,079,851**	**108,914,605**
TOTAL GENERAL FUNDS		**GF**	**73,048,481**	**97,079,851**	**108,914,605**
OTHER FUNDS					
REVENUES					
Beginning Balance	0025	OF	1,386,217	-	-
Business License & Fees	0205	OF	3,086	-	-
Non-Business License & Fees	0210	OF	712	-	-
Charges for Services	0410	OF	260,671	-	-
Administrative Service Charges	0415	OF	1,648,981	-	-
Interest Income	0605	OF	136,493	-	-
Grants (Non-FED)	0910	OF	43,993	-	-
Other Revenues	0975	OF	14,282,063	29,567,414	31,851,219
TOTAL REVENUES		**OF**	**17,762,216**	**29,567,414**	**31,851,219**
TRANSFER IN					
Transfer in Intrafund	1010	OF	43,824	-	-
TOTAL TRANSFERS IN		**OF**	**43,824**	**-**	**-**

Oregon Health Authority Statewide Assessments & Enterprise-wide Costs 44300-010-50-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
TOTAL OTHER FUNDS		**OF**	**17,806,040**	**29,567,414**	**31,851,219**
FEDERAL FUNDS REVENUES					
Federal Funds Revenue	0995	FF	49,844,885	73,254,128	84,635,072
TOTAL REVENUES		**FF**	**49,844,885**	**73,254,128**	**84,635,072**
TOTAL FEDERAL FUNDS		**FF**	**49,844,885**	**73,254,128**	**84,635,072**
TOTAL AVAILABLE REVENUES		**TF**	**140,699,406**	**199,901,393**	**225,400,896**

Oregon Health Authority Debt Service 44300-010-50-07-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
GENERAL FUND					
REVENUES					
General Fund Appropriation	0050	GF	68,398,944	65,015,140	67,710,170
TOTAL REVENUES		**GF**	**68,398,944**	**65,015,140**	**67,710,170**
TOTAL GENERAL FUNDS		**GF**	**68,398,944**	**65,015,140**	**67,710,170**
OTHER FUNDS					
REVENUES					
General Fund Obligation Bonds	0555	OF	4,551,639	32,665	-
Refunding Bonds	0575	OF	30,077,623	-	-
Certificates of Participation	0580	OF	-	17,335	-
Interest Income	0605	OF	17,997	-	-
Other Revenues	0975	OF	-	4,147,413	-
TOTAL REVENUES		**OF**	**34,647,259**	**4,197,413**	**-**
TRANSFER IN					
Transfer in Intrafund	1010	OF	4,261,027	-	-
TOTAL TRANSFERS IN		**OF**	**4,261,027**	**-**	**-**
TRANSFER OUT					
Transfer to Intrafund	2010	OF	(2,225,013)	-	-
TOTAL TRANSFERS OUT			(2,225,013)	-	-
TOTAL OTHER FUNDS		**OF**	**36,683,273**	**4,197,413**	**-**

Oregon Health Authority Debt Service 44300-010-50-07-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
FEDERAL FUNDS REVENUES					
Federal Funds Revenue	0995	FF	4,141,953	3,923,972	3,719,310
TOTAL REVENUES		**FF**	**4,141,953**	**3,923,972**	**3,719,310**
TOTAL FEDERAL FUNDS		**FF**	**4,141,953**	**3,923,972**	**3,719,310**
TOTAL AVAILABLE REVENUES		**TF**	**109,224,170**	**73,136,525**	**71,429,480**

Oregon Health Authority OHA Central & Shared Services/State Assessments & Enterprise-wide Costs 44300-010-00-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
GENERAL FUND **REVENUES**					
General Fund Appropriation	0050	GF	156,131,078	181,588,671	198,420,402
TOTAL REVENUES		**GF**	**156,131,078**	**181,588,671**	**198,420,402**
TOTAL GENERAL FUNDS		**GF**	**156,131,078**	**181,588,671**	**198,420,402**
OTHER FUNDS **REVENUES**					
Beginning Balance	0025	OF	1,386,217	-	-
Business License & Fees	0205	OF	3,086	-	-
Non-Business License & Fees	0210	OF	11,825	-	-
Charges for Services	0410	OF	260,671	-	-
Administrative Service Charges	0415	OF	124,291,814	-	-
General Fund Obligation Bonds	0555	OF	4,551,639	32,665	-
Refunding Bonds	0575	OF	30,077,623	-	-
Certificates of Participation	0580	OF	-	17,335	-
Interest Income	0605	OF	161,900	-	-
Grants (Non-FED)	0910	OF	43,993	-	-
Other Revenues	0975	OF	16,675,003	180,939,743	201,465,113
TOTAL REVENUES		**OF**	**177,463,771**	**180,989,743**	**201,465,113**

Oregon Health Authority OHA Central & Shared Services/State Assessments & Enterprise-wide Costs 44300-010-00-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
TRANSFER IN					
Transfer in Intrafund	1010	OF	4,315,011	-	-
Tsfr From Oregon Health Authority	1443	OF	-	-	-
TOTAL TRANSFERS IN		**OF**	**4,315,011**	**-**	**-**
TRANSFER OUT					
Transfer to Intrafund	2010	OF	(2,225,013)	-	-
TOTAL TRANSFERS OUT			(2,225,013)	-	-
TOTAL OTHER FUNDS		**OF**	**179,553,769**	**180,989,743**	**201,465,113**
FEDERAL FUNDS REVENUES					
Federal Funds Revenue	0995	FF	63,159,182	90,439,425	103,471,316
TOTAL REVENUES		**FF**	**63,159,182**	**90,439,425**	**103,471,316**
TOTAL FEDERAL FUNDS		**FF**	**63,159,182**	**90,439,425**	**103,471,316**
TOTAL AVAILABLE REVENUES		**TF**	**398,844,029**	**453,017,839**	**503,356,831**

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Health Authority | **Agency Number: 44300**
2017-19 Biennium | **Cross Reference Number: 44300-010-00-00-00000**

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Other Funds						
Business Lic and Fees	3,086	-	-	-	-	-
Non-business Lic. and Fees	11,825	-	-	-	-	-
Charges for Services	260,671	-	-	-	-	-
Admin and Service Charges	124,291,814	-	-	-	-	-
General Fund Obligation Bonds	4,551,639	32,665	32,665	-	-	-
Cert of Participation	-	17,335	17,335	-	-	-
Interest Income	161,900	-	-	-	-	-
Grants (Non-Fed)	43,993	-	-	-	-	-
Other Revenues	16,675,003	163,813,934	180,939,743	201,465,113	-	-
Transfer In - Intrafund	4,315,011	-	-	-	-	-
Transfer Out - Intrafund	(2,225,013)	-	-	-	-	-
Total Other Funds	**$148,089,929**	**$163,863,934**	**$180,989,743**	**$201,465,113**	**-**	**-**
Federal Funds						
Federal Funds	59,017,229	68,597,830	86,515,453	99,752,006	-	-
Total Federal Funds	**$59,017,229**	**$68,597,830**	**$86,515,453**	**$99,752,006**	**-**	**-**
Nonlimited Other Funds						
Refunding Bonds	30,077,623	-	-	-	-	-
Total Nonlimited Other Funds	**$30,077,623**	**-**	**-**	**-**	**-**	**-**
Nonlimited Federal Funds						
Federal Funds	4,141,953	3,923,972	3,923,972	3,719,310	-	-
Total Nonlimited Federal Funds	**$4,141,953**	**$3,923,972**	**$3,923,972**	**$3,719,310**	**-**	**-**

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Health Authority **Agency Number: 44300**
2017-19 Biennium **Cross Reference Number: 44300-010-40-00-00000**

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Other Funds						
Non-business Lic. and Fees	11,113	-	-	-	-	-
Admin and Service Charges	257,873	-	-	-	-	-
Interest Income	7,410	-	-	-	-	-
Other Revenues	2,193,361	1,278,042	2,938,620	3,356,867	-	-
Transfer In - Intrafund	10,160	-	-	-	-	-
Total Other Funds	**$2,479,917**	**$1,278,042**	**$2,938,620**	**$3,356,867**	**-**	**-**
Federal Funds						
Federal Funds	9,172,344	7,452,251	13,261,325	15,116,934	-	-
Total Federal Funds	**$9,172,344**	**$7,452,251**	**$13,261,325**	**$15,116,934**	**-**	**-**

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Health Authority **Agency Number: 44300**
2017-19 Biennium **Cross Reference Number: 44300-010-45-00-00000**

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Other Funds						
Admin and Service Charges	122,384,960	-	-	-	-	-
Other Revenues	199,579	137,823,428	144,286,296	166,257,027	-	-
Total Other Funds	**$122,584,539**	**$137,823,428**	**$144,286,296**	**$166,257,027**	**-**	**-**

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Health Authority | **Agency Number: 44300**
2017-19 Biennium | **Cross Reference Number: 44300-010-50-00-00000**

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Other Funds						
Business Lic and Fees	3,086	-	-	-	-	-
Non-business Lic. and Fees	712	-	-	-	-	-
Charges for Services	260,671	-	-	-	-	-
Admin and Service Charges	1,648,981	-	-	-	-	-
General Fund Obligation Bonds	4,551,639	32,665	32,665	-	-	-
Cert of Participation	-	17,335	17,335	-	-	-
Interest Income	154,490	-	-	-	-	-
Grants (Non-Fed)	43,993	-	-	-	-	-
Other Revenues	14,282,063	24,712,464	33,714,827	31,851,219	-	-
Transfer In - Intrafund	4,304,851	-	-	-	-	-
Transfer Out - Intrafund	(2,225,013)	-	-	-	-	-
Total Other Funds	**$23,025,473**	**$24,762,464**	**$33,764,827**	**$31,851,219**	**-**	**-**
Federal Funds						
Federal Funds	49,844,885	61,145,579	73,254,128	84,635,072	-	-
Total Federal Funds	**$49,844,885**	**$61,145,579**	**$73,254,128**	**$84,635,072**	**-**	**-**
Nonlimited Other Funds						
Refunding Bonds	30,077,623	-	-	-	-	-
Total Nonlimited Other Funds	**$30,077,623**	**-**	**-**	**-**	**-**	**-**
Nonlimited Federal Funds						
Federal Funds	4,141,953	3,923,972	3,923,972	3,719,310	-	-
Total Nonlimited Federal Funds	**$4,141,953**	**$3,923,972**	**$3,923,972**	**$3,719,310**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: OHA Central & Shared Services**

Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor | **Cross Reference Number: 44300-010-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(1,727,874)	-	-	-	-	-	(1,727,874)
Other Revenues	-	-	2,017,040	-	-	-	2,017,040
Federal Funds	-	-	-	338,491	-	-	338,491
Total Revenues	**($1,727,874)**	**-**	**$2,017,040**	**$338,491**	**-**	**-**	**$627,657**
Personal Services							
Temporary Appointments	642	-	34,845	21,977	-	-	57,464
Overtime Payments	169	-	3,180	186	-	-	3,535
Shift Differential	-	-	7,267	2,622	-	-	9,889
All Other Differential	2,377	-	30,130	2,185	-	-	34,692
Public Employees' Retire Cont	486	-	7,746	953	-	-	9,185
Pension Obligation Bond	162,187	-	359,585	210,668	-	-	732,440
Social Security Taxes	244	-	5,770	2,064	-	-	8,078
Unemployment Assessments	17,799	-	3,008	4,216	-	-	25,023
Mass Transit Tax	(2,026,808)	-	187,023	-	-	-	(1,839,785)
Vacancy Savings	115,030	-	1,378,486	93,620	-	-	1,587,136
Total Personal Services	**($1,727,874)**	**-**	**$2,017,040**	**$338,491**	**-**	**-**	**$627,657**
Services & Supplies							
Facilities Rental and Taxes	-	-	-	-	-	-	-
Other Services and Supplies	-	-	-	-	-	-	-
Total Services & Supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: OHA Central & Shared Services**

Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor | **Cross Reference Number: 44300-010-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Capital Outlay							
Office Furniture and Fixtures	-	-	-	-	-	-	-
Total Capital Outlay	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Expenditures							
Total Expenditures	(1,727,874)	-	2,017,040	338,491	-	-	627,657
Total Expenditures	**($1,727,874)**	**-**	**$2,017,040**	**$338,491**	**-**	**-**	**$627,657**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 021 - Phase - In

Cross Reference Name: OHA Central & Shared Services
Cross Reference Number: 44300-010-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	2,243,141	-	-	-	-	-	2,243,141
Other Revenues	-	-	257,936	-	-	-	257,936
Federal Funds	-	-	-	6,563,339	-	-	6,563,339
Total Revenues	**$2,243,141**	**-**	**$257,936**	**$6,563,339**	**-**	**-**	**$9,064,416**
Services & Supplies							
Instate Travel	-	-	12,685	-	-	-	12,685
Employee Training	-	-	7,855	-	-	-	7,855
Office Expenses	6,923	-	44,081	4,517	-	-	55,521
Telecommunications	179	-	10,719	114	-	-	11,012
State Gov. Service Charges	-	-	-	-	-	-	-
Data Processing	2,174,079	-	1,640	6,520,625	-	-	8,696,344
Facilities Rental and Taxes	55,852	-	160,877	36,439	-	-	253,168
Other Services and Supplies	-	-	2,192	-	-	-	2,192
Expendable Prop 250 - 5000	3,371	-	9,466	1,468	-	-	14,305
Total Services & Supplies	**$2,240,404**	**-**	**$249,515**	**$6,563,163**	**-**	**-**	**$9,053,082**
Special Payments							
Other Special Payments	2,737	-	8,421	176	-	-	11,334
Total Special Payments	**$2,737**	**-**	**$8,421**	**$176**	**-**	**-**	**$11,334**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 021 - Phase - In

Cross Reference Name: OHA Central & Shared Services
Cross Reference Number: 44300-010-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	2,243,141	-	257,936	6,563,339	-	-	9,064,416
Total Expenditures	**$2,243,141**	**-**	**$257,936**	**$6,563,339**	**-**	**-**	**$9,064,416**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: OHA Central & Shared Services**

Pkg: 022 - Phase-out Pgm & One-time Costs | **Cross Reference Number: 44300-010-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(175,000)	-	-	-	-	-	(175,000)
Fines and Forfeitures	-	-	-	-	-	-	-
Total Revenues	**($175,000)**	**-**	**-**	**-**	**-**	**-**	**($175,000)**
Services & Supplies							
IT Professional Services	(175,000)	-	-	-	-	-	(175,000)
Total Services & Supplies	**($175,000)**	**-**	**-**	**-**	**-**	**-**	**($175,000)**
Total Expenditures							
Total Expenditures	(175,000)	-	-	-	-	-	(175,000)
Total Expenditures	**($175,000)**	**-**	**-**	**-**	**-**	**-**	**($175,000)**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: OHA Central & Shared Services
Cross Reference Number: 44300-010-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	6,120,752	-	-	-	-	-	6,120,752
Other Revenues	-	-	2,916,179	-	-	-	2,916,179
Federal Funds	-	-	-	2,632,395	-	-	2,632,395
Total Revenues	**$6,120,752**	**-**	**$2,916,179**	**$2,632,395**	**-**	**-**	**$11,669,326**
Services & Supplies							
Instate Travel	2,568	-	34,083	2,660	-	-	39,311
Out of State Travel	338	-	3,520	477	-	-	4,335
Employee Training	1,901	-	16,642	2,817	-	-	21,360
Office Expenses	13,224	-	45,579	11,515	-	-	70,318
Telecommunications	65,706	-	44,287	65,282	-	-	175,275
State Gov. Service Charges	2,772,818	-	391,503	(93,019)	-	-	3,071,302
Data Processing	304,770	-	467,553	554,077	-	-	1,326,400
Publicity and Publications	1,044	-	394	1,367	-	-	2,805
Professional Services	152,573	-	65,286	31,540	-	-	249,399
IT Professional Services	350	-	504,421	321	-	-	505,092
Attorney General	13,238	-	3,330	9,569	-	-	26,137
Employee Recruitment and Develop	119	-	59	170	-	-	348
Dues and Subscriptions	258	-	4,452	352	-	-	5,062
Facilities Rental and Taxes	815,186	-	467,604	769,214	-	-	2,052,004
Fuels and Utilities	9,318	-	2,330	6,272	-	-	17,920
Facilities Maintenance	10,921	-	3,803	7,355	-	-	22,079
Food and Kitchen Supplies	-	-	-	-	-	-	-
Medical Services and Supplies	-	-	-	-	-	-	-
Agency Program Related S and S	809	-	5,097	1,976	-	-	7,882

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: OHA Central & Shared Services
Cross Reference Number: 44300-010-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Intra-agency Charges	-	-	-	4,196	-	-	4,196
Other Services and Supplies	41,448	-	9,870	18,185	-	-	69,503
Expendable Prop 250 - 5000	44,933	-	20,452	34,813	-	-	100,198
IT Expendable Property	14,038	-	243,953	15,915	-	-	273,906
Total Services & Supplies	**$4,265,560**	**-**	**$2,334,218**	**$1,445,054**	**-**	**-**	**$8,044,832**
Capital Outlay							
Office Furniture and Fixtures	-	-	-	-	-	-	-
Technical Equipment	-	-	-	-	-	-	-
Data Processing Hardware	-	-	-	-	-	-	-
Other Capital Outlay	-	-	-	-	-	-	-
Total Capital Outlay	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Special Payments							
Dist to Counties	-	-	-	-	-	-	-
Dist to Other Gov Unit	-	-	-	-	-	-	-
Dist to Non-Gov Units	-	-	-	-	-	-	-
Dist to Individuals	7,434	-	-	2,478	-	-	9,912
Other Special Payments	1,847,758	-	581,961	1,184,863	-	-	3,614,582
Spc Pmt to Housing and Com Svcs	-	-	-	-	-	-	-
Total Special Payments	**$1,855,192**	**-**	**$581,961**	**$1,187,341**	**-**	**-**	**$3,624,494**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: OHA Central & Shared Services
Cross Reference Number: 44300-010-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	6,120,752	-	2,916,179	2,632,395	-	-	11,669,326
Total Expenditures	**$6,120,752**	**-**	**$2,916,179**	**$2,632,395**	**-**	**-**	**$11,669,326**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 032 - Above Standard Inflation

Cross Reference Name: OHA Central & Shared Services
Cross Reference Number: 44300-010-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	1,665,044	-	-	-	-	-	1,665,044
Other Revenues	-	-	512,404	-	-	-	512,404
Federal Funds	-	-	-	850,408	-	-	850,408
Total Revenues	**$1,665,044**	**-**	**$512,404**	**$850,408**	**-**	**-**	**$3,027,856**
Services & Supplies							
Telecommunications	2,197,009	-	626,751	2,113,408	-	-	4,937,168
Data Processing	(724,469)	-	(118,757)	(1,354,003)	-	-	(2,197,229)
Total Services & Supplies	**$1,472,540**	**-**	**$507,994**	**$759,405**	**-**	**-**	**$2,739,939**
Special Payments							
Other Special Payments	192,504	-	4,410	91,003	-	-	287,917
Total Special Payments	**$192,504**	**-**	**$4,410**	**$91,003**	**-**	**-**	**$287,917**
Total Expenditures							
Total Expenditures	1,665,044	-	512,404	850,408	-	-	3,027,856
Total Expenditures	**$1,665,044**	**-**	**$512,404**	**$850,408**	**-**	**-**	**$3,027,856**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 033 - Exceptional Inflation

Cross Reference Name: OHA Central & Shared Services
Cross Reference Number: 44300-010-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	549,567	-	-	-	-	-	549,567
Fines and Forfeitures	-	-	-	-	-	-	-
Other Revenues	-	-	158,063	-	-	-	158,063
Federal Funds	-	-	-	370,417	-	-	370,417
Total Revenues	**$549,567**	**-**	**$158,063**	**$370,417**	**-**	**-**	**$1,078,047**
Services & Supplies							
Telecommunications	167,751	-	35,530	123,355	-	-	326,636
Total Services & Supplies	**$167,751**	**-**	**$35,530**	**$123,355**	**-**	**-**	**$326,636**
Special Payments							
Other Special Payments	381,816	-	122,533	247,062	-	-	751,411
Total Special Payments	**$381,816**	**-**	**$122,533**	**$247,062**	**-**	**-**	**$751,411**
Total Expenditures							
Total Expenditures	549,567	-	158,063	370,417	-	-	1,078,047
Total Expenditures	**$549,567**	**-**	**$158,063**	**$370,417**	**-**	**-**	**$1,078,047**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 060 - Technical Adjustments

Cross Reference Name: OHA Central & Shared Services
Cross Reference Number: 44300-010-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Other Revenues	-	-	40,992	-	-	-	40,992
Total Revenues	**-**	**-**	**$40,992**	**-**	**-**	**-**	**$40,992**
Services & Supplies							
Office Expenses	-	-	1,726	-	-	-	1,726
Telecommunications	-	-	86	-	-	-	86
State Gov. Service Charges	-	-	-	-	-	-	-
Data Processing	-	-	2,668	-	-	-	2,668
Facilities Rental and Taxes	27,639	-	23,233	23,523	-	-	74,395
Other Services and Supplies	(27,639)	-	(7,645)	(23,523)	-	-	(58,807)
Expendable Prop 250 - 5000	-	-	19,148	-	-	-	19,148
Total Services & Supplies	**-**	**-**	**$39,216**	**-**	**-**	**-**	**$39,216**
Special Payments							
Other Special Payments	-	-	1,776	-	-	-	1,776
Total Special Payments	**-**	**-**	**$1,776**	**-**	**-**	**-**	**$1,776**
Total Expenditures							
Total Expenditures	-	-	40,992	-	-	-	40,992
Total Expenditures	**-**	**-**	**$40,992**	**-**	**-**	**-**	**$40,992**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 060 - Technical Adjustments

Cross Reference Name: OHA Central & Shared Services
Cross Reference Number: 44300-010-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 201 - Integrated Eligibility

Cross Reference Name: OHA Central & Shared Services
Cross Reference Number: 44300-010-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Other Revenues	-	-	10,762,599	-	-	-	10,762,599
Total Revenues	**-**	**-**	**$10,762,599**	**-**	**-**	**-**	**$10,762,599**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	2,806,308	-	-	-	2,806,308
All Other Differential	-	-	4,540,573	-	-	-	4,540,573
Empl. Rel. Bd. Assessments	-	-	1,128	-	-	-	1,128
Public Employees' Retire Cont	-	-	1,296,703	-	-	-	1,296,703
Social Security Taxes	-	-	562,036	-	-	-	562,036
Worker's Comp. Assess. (WCD)	-	-	1,356	-	-	-	1,356
Mass Transit Tax	-	-	27,242	-	-	-	27,242
Flexible Benefits	-	-	658,386	-	-	-	658,386
Total Personal Services	**-**	**-**	**$9,893,732**	**-**	**-**	**-**	**$9,893,732**
Services & Supplies							
Instate Travel	-	-	56,858	-	-	-	56,858
Employee Training	-	-	119,904	-	-	-	119,904
Office Expenses	-	-	108,173	-	-	-	108,173
Telecommunications	-	-	45,763	-	-	-	45,763
Other Services and Supplies	-	-	9,840	-	-	-	9,840
Expendable Prop 250 - 5000	-	-	10,472	-	-	-	10,472
Total Services & Supplies	**-**	**-**	**$351,010**	**-**	**-**	**-**	**$351,010**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 201 - Integrated Eligibility

Cross Reference Name: OHA Central & Shared Services
Cross Reference Number: 44300-010-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Special Payments							
Other Special Payments	-	-	517,857	-	-	-	517,857
Total Special Payments	**-**	**-**	**$517,857**	**-**	**-**	**-**	**$517,857**
Total Expenditures							
Total Expenditures	-	-	10,762,599	-	-	-	10,762,599
Total Expenditures	**-**	**-**	**$10,762,599**	**-**	**-**	**-**	**$10,762,599**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							22
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**22**
Total FTE							
Total FTE							19.75
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**19.75**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 202 - ISPO Investments

Cross Reference Name: OHA Central & Shared Services
Cross Reference Number: 44300-010-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	211,454	-	-	-	-	-	211,454
Other Revenues	-	-	1,026,234	-	-	-	1,026,234
Federal Funds	-	-	-	101,542	-	-	101,542
Total Revenues	**$211,454**	**-**	**$1,026,234**	**$101,542**	**-**	**-**	**$1,339,230**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	584,760	-	-	-	584,760
Empl. Rel. Bd. Assessments	-	-	228	-	-	-	228
Public Employees' Retire Cont	-	-	111,629	-	-	-	111,629
Social Security Taxes	-	-	44,734	-	-	-	44,734
Worker's Comp. Assess. (WCD)	-	-	276	-	-	-	276
Flexible Benefits	-	-	133,344	-	-	-	133,344
Total Personal Services	**-**	**-**	**$874,971**	**-**	**-**	**-**	**$874,971**
Services & Supplies							
Instate Travel	-	-	13,741	-	-	-	13,741
Employee Training	-	-	8,532	-	-	-	8,532
Office Expenses	3,427	-	23,456	1,673	-	-	28,556
Telecommunications	85	-	9,306	41	-	-	9,432
Data Processing	2,738	-	1,237	1,337	-	-	5,312
Facilities Rental and Taxes	27,637	-	12,481	13,494	-	-	53,612
Other Services and Supplies	3,487	-	1,992	-	-	-	5,479
Expendable Prop 250 - 5000	10,838	-	6,798	5,292	-	-	22,928

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 202 - ISPO Investments

Cross Reference Name: OHA Central & Shared Services
Cross Reference Number: 44300-010-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
IT Expendable Property	5,403	-	2,439	2,638	-	-	10,480
Total Services & Supplies	**$53,615**	**-**	**$79,982**	**$24,475**	**-**	**-**	**$158,072**
Special Payments							
Other Special Payments	157,839	-	71,281	77,067	-	-	306,187
Total Special Payments	**$157,839**	**-**	**$71,281**	**$77,067**	**-**	**-**	**$306,187**
Total Expenditures							
Total Expenditures	211,454	-	1,026,234	101,542	-	-	1,339,230
Total Expenditures	**$211,454**	**-**	**$1,026,234**	**$101,542**	**-**	**-**	**$1,339,230**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							4
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**4**
Total FTE							
Total FTE							4.00
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**4.00**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 203 - SOS Performance Audits

Cross Reference Name: OHA Central & Shared Services
Cross Reference Number: 44300-010-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	1,364,312	-	-	-	-	-	1,364,312
Other Revenues	-	-	(380,815)	-	-	-	(380,815)
Federal Funds	-	-	-	(983,497)	-	-	(983,497)
Total Revenues	**$1,364,312**	**-**	**($380,815)**	**($983,497)**	**-**	**-**	**-**
Services & Supplies							
State Gov. Service Charges	1,364,312	-	(380,815)	(983,497)	-	-	-
Total Services & Supplies	**$1,364,312**	**-**	**($380,815)**	**($983,497)**	**-**	**-**	**-**
Total Expenditures							
Total Expenditures	1,364,312	-	(380,815)	(983,497)	-	-	-
Total Expenditures	**$1,364,312**	**-**	**($380,815)**	**($983,497)**	**-**	**-**	**-**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: OHA Central & Shared Services**

Pkg: 204 - OPAR Position Reconciliation and True-up | **Cross Reference Number: 44300-010-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	493,863	-	-	-	-	-	493,863
Federal Funds	-	-	-	493,863	-	-	493,863
Total Revenues	**$493,863**	**-**	**-**	**$493,863**	**-**	**-**	**$987,726**
Special Payments							
Other Special Payments	493,863	-	-	493,863	-	-	987,726
Total Special Payments	**$493,863**	**-**	**-**	**$493,863**	**-**	**-**	**$987,726**
Total Expenditures							
Total Expenditures	493,863	-	-	493,863	-	-	987,726
Total Expenditures	**$493,863**	**-**	**-**	**$493,863**	**-**	**-**	**$987,726**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 205 - Background Check Unit Workload

Cross Reference Name: OHA Central & Shared Services
Cross Reference Number: 44300-010-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	221,932	-	-	-	-	-	221,932
Other Revenues	-	-	37,558	-	-	-	37,558
Federal Funds	-	-	-	81,944	-	-	81,944
Total Revenues	**$221,932**	**-**	**$37,558**	**$81,944**	**-**	**-**	**$341,434**
Special Payments							
Other Special Payments	221,932	-	37,558	81,944	-	-	341,434
Total Special Payments	**$221,932**	**-**	**$37,558**	**$81,944**	**-**	**-**	**$341,434**
Total Expenditures							
Total Expenditures	221,932	-	37,558	81,944	-	-	341,434
Total Expenditures	**$221,932**	**-**	**$37,558**	**$81,944**	**-**	**-**	**$341,434**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 206 - FMLA / OFLA

Cross Reference Name: OHA Central & Shared Services
Cross Reference Number: 44300-010-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	64,300	-	-	-	-	-	64,300
Other Revenues	-	-	10,882	-	-	-	10,882
Federal Funds	-	-	-	23,741	-	-	23,741
Total Revenues	**$64,300**	**-**	**$10,882**	**$23,741**	**-**	**-**	**$98,923**
Special Payments							
Other Special Payments	64,300	-	10,882	23,741	-	-	98,923
Total Special Payments	**$64,300**	**-**	**$10,882**	**$23,741**	**-**	**-**	**$98,923**
Total Expenditures							
Total Expenditures	64,300	-	10,882	23,741	-	-	98,923
Total Expenditures	**$64,300**	**-**	**$10,882**	**$23,741**	**-**	**-**	**$98,923**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 405 - MMIS Modularization

Cross Reference Name: OHA Central & Shared Services
Cross Reference Number: 44300-010-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	23,201	-	-	-	-	-	23,201
Other Revenues	-	-	2,022,391	-	-	-	2,022,391
Federal Funds	-	-	-	208,812	-	-	208,812
Total Revenues	**$23,201**	**-**	**$2,022,391**	**$208,812**	**-**	**-**	**$2,254,404**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	1,269,888	-	-	-	1,269,888
Empl. Rel. Bd. Assessments	-	-	513	-	-	-	513
Public Employees' Retire Cont	-	-	219,340	-	-	-	219,340
Social Security Taxes	-	-	97,148	-	-	-	97,148
Worker's Comp. Assess. (WCD)	-	-	621	-	-	-	621
Flexible Benefits	-	-	300,024	-	-	-	300,024
Total Personal Services	**-**	**-**	**$1,887,534**	**-**	**-**	**-**	**$1,887,534**
Services & Supplies							
Instate Travel	-	-	25,911	-	-	-	25,911
Employee Training	-	-	24,382	-	-	-	24,382
Office Expenses	1,496	-	49,293	13,462	-	-	64,251
Telecommunications	37	-	20,853	332	-	-	21,222
Data Processing	1,195	-	-	10,757	-	-	11,952
Facilities Rental and Taxes	12,063	-	-	108,564	-	-	120,627
Other Services and Supplies	757	-	4,482	6,814	-	-	12,053
Expendable Prop 250 - 5000	4,730	-	4,284	42,574	-	-	51,588

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 405 - MMIS Modularization

Cross Reference Name: OHA Central & Shared Services
Cross Reference Number: 44300-010-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
IT Expendable Property	2,358	-	-	21,222	-	-	23,580
Total Services & Supplies	**$22,636**	**-**	**$129,205**	**$203,725**	**-**	**-**	**$355,566**
Special Payments							
Other Special Payments	565	-	5,652	5,087	-	-	11,304
Total Special Payments	**$565**	**-**	**$5,652**	**$5,087**	**-**	**-**	**$11,304**
Total Expenditures							
Total Expenditures	23,201	-	2,022,391	208,812	-	-	2,254,404
Total Expenditures	**$23,201**	**-**	**$2,022,391**	**$208,812**	**-**	**-**	**$2,254,404**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							9
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**9**
Total FTE							
Total FTE							9.00
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**9.00**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: OHA Central & Shared Services**

Pkg: 412 - SGSC & Telecomm Exceptions | **Cross Reference Number: 44300-010-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	1,390,305	-	-	-	-	-	1,390,305
Other Revenues	-	-	363,041	-	-	-	363,041
Federal Funds	-	-	-	1,222,961	-	-	1,222,961
Total Revenues	**$1,390,305**	**-**	**$363,041**	**$1,222,961**	**-**	**-**	**$2,976,307**
Services & Supplies							
Office Expenses	2,690	-	718	2,112	-	-	5,520
Telecommunications	1,077,353	-	308,060	1,063,116	-	-	2,448,529
Other Services and Supplies	310,262	-	54,263	157,733	-	-	522,258
Total Services & Supplies	**$1,390,305**	**-**	**$363,041**	**$1,222,961**	**-**	**-**	**$2,976,307**
Total Expenditures							
Total Expenditures	1,390,305	-	363,041	1,222,961	-	-	2,976,307
Total Expenditures	**$1,390,305**	**-**	**$363,041**	**$1,222,961**	**-**	**-**	**$2,976,307**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: OHA Central Services**

Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor | **Cross Reference Number: 44300-010-40-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	341,428	-	-	-	-	-	341,428
Other Revenues	-	-	88,368	-	-	-	88,368
Federal Funds	-	-	-	334,275	-	-	334,275
Total Revenues	**$341,428**	**-**	**$88,368**	**$334,275**	**-**	**-**	**$764,071**
Personal Services							
Temporary Appointments	642	-	205	21,977	-	-	22,824
Overtime Payments	169	-	1	186	-	-	356
Shift Differential	-	-	-	2,622	-	-	2,622
All Other Differential	2,377	-	720	2,185	-	-	5,282
Public Employees' Retire Cont	486	-	138	953	-	-	1,577
Pension Obligation Bond	162,187	-	71,063	210,668	-	-	443,918
Social Security Taxes	244	-	71	2,064	-	-	2,379
Unemployment Assessments	-	-	-	-	-	-	-
Mass Transit Tax	60,293	-	9,588	-	-	-	69,881
Vacancy Savings	115,030	-	6,582	93,620	-	-	215,232
Total Personal Services	**$341,428**	**-**	**$88,368**	**$334,275**	**-**	**-**	**$764,071**
Capital Outlay							
Office Furniture and Fixtures	-	-	-	-	-	-	-
Total Capital Outlay	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: OHA Central Services**

Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor | **Cross Reference Number: 44300-010-40-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	341,428	-	88,368	334,275	-	-	764,071
Total Expenditures	**$341,428**	**-**	**$88,368**	**$334,275**	**-**	**-**	**$764,071**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: OHA Central Services**

Pkg: 022 - Phase-out Pgm & One-time Costs | **Cross Reference Number: 44300-010-40-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(175,000)	-	-	-	-	-	(175,000)
Fines and Forfeitures	-	-	-	-	-	-	-
Total Revenues	**($175,000)**	**-**	**-**	**-**	**-**	**-**	**($175,000)**
Services & Supplies							
IT Professional Services	(175,000)	-	-	-	-	-	(175,000)
Total Services & Supplies	**($175,000)**	**-**	**-**	**-**	**-**	**-**	**($175,000)**
Total Expenditures							
Total Expenditures	(175,000)	-	-	-	-	-	(175,000)
Total Expenditures	**($175,000)**	**-**	**-**	**-**	**-**	**-**	**($175,000)**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: OHA Central Services
Cross Reference Number: 44300-010-40-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	251,311	-	-	-	-	-	251,311
Other Revenues	-	-	35,254	-	-	-	35,254
Federal Funds	-	-	-	98,194	-	-	98,194
Total Revenues	**$251,311**	**-**	**$35,254**	**$98,194**	**-**	**-**	**$384,759**
Services & Supplies							
Instate Travel	2,159	-	403	2,307	-	-	4,869
Out of State Travel	338	-	21	477	-	-	836
Employee Training	1,901	-	333	2,817	-	-	5,051
Office Expenses	4,081	-	637	4,303	-	-	9,021
Telecommunications	2,495	-	2,169	3,442	-	-	8,106
Data Processing	232	-	48	274	-	-	554
Publicity and Publications	1,044	-	19	1,367	-	-	2,430
Professional Services	149,819	-	27,457	29,167	-	-	206,443
IT Professional Services	350	-	138	321	-	-	809
Attorney General	13,078	-	1,762	9,431	-	-	24,271
Employee Recruitment and Develop	119	-	59	170	-	-	348
Dues and Subscriptions	258	-	11	352	-	-	621
Facilities Rental and Taxes	10	-	5	11	-	-	26
Fuels and Utilities	-	-	-	-	-	-	-
Facilities Maintenance	5	-	1	8	-	-	14
Food and Kitchen Supplies	-	-	-	-	-	-	-
Medical Services and Supplies	-	-	-	-	-	-	-
Agency Program Related S and S	809	-	98	1,976	-	-	2,883
Intra-agency Charges	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: OHA Central Services
Cross Reference Number: 44300-010-40-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Other Services and Supplies	1,269	-	287	2,400	-	-	3,956
Expendable Prop 250 - 5000	3,132	-	267	6,380	-	-	9,779
IT Expendable Property	698	-	117	1,166	-	-	1,981
Total Services & Supplies	**$181,797**	**-**	**$33,832**	**$66,369**	**-**	**-**	**$281,998**
Capital Outlay							
Office Furniture and Fixtures	-	-	-	-	-	-	-
Total Capital Outlay	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Special Payments							
Dist to Counties	-	-	-	-	-	-	-
Dist to Other Gov Unit	-	-	-	-	-	-	-
Dist to Non-Gov Units	-	-	-	-	-	-	-
Dist to Individuals	7,434	-	-	2,478	-	-	9,912
Other Special Payments	62,080	-	1,422	29,347	-	-	92,849
Spc Pmt to Housing and Com Svcs	-	-	-	-	-	-	-
Total Special Payments	**$69,514**	**-**	**$1,422**	**$31,825**	**-**	**-**	**$102,761**
Total Expenditures							
Total Expenditures	251,311	-	35,254	98,194	-	-	384,759
Total Expenditures	**$251,311**	**-**	**$35,254**	**$98,194**	**-**	**-**	**$384,759**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: OHA Central Services
Cross Reference Number: 44300-010-40-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 032 - Above Standard Inflation

Cross Reference Name: OHA Central Services
Cross Reference Number: 44300-010-40-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	192,504	-	-	-	-	-	192,504
Other Revenues	-	-	4,410	-	-	-	4,410
Federal Funds	-	-	-	91,003	-	-	91,003
Total Revenues	**$192,504**	**-**	**$4,410**	**$91,003**	**-**	**-**	**$287,917**
Special Payments							
Other Special Payments	192,504	-	4,410	91,003	-	-	287,917
Total Special Payments	**$192,504**	**-**	**$4,410**	**$91,003**	**-**	**-**	**$287,917**
Total Expenditures							
Total Expenditures	192,504	-	4,410	91,003	-	-	287,917
Total Expenditures	**$192,504**	**-**	**$4,410**	**$91,003**	**-**	**-**	**$287,917**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: OHA Shared Services**

Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor | **Cross Reference Number: 44300-010-45-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Other Revenues	-	-	2,221,577	-	-	-	2,221,577
Total Revenues	**-**	**-**	**$2,221,577**	**-**	**-**	**-**	**$2,221,577**
Personal Services							
Temporary Appointments	-	-	34,640	-	-	-	34,640
Overtime Payments	-	-	3,179	-	-	-	3,179
Shift Differential	-	-	7,267	-	-	-	7,267
All Other Differential	-	-	29,410	-	-	-	29,410
Public Employees' Retire Cont	-	-	7,608	-	-	-	7,608
Pension Obligation Bond	-	-	288,522	-	-	-	288,522
Social Security Taxes	-	-	5,699	-	-	-	5,699
Unemployment Assessments	-	-	-	-	-	-	-
Mass Transit Tax	-	-	473,348	-	-	-	473,348
Vacancy Savings	-	-	1,371,904	-	-	-	1,371,904
Total Personal Services	**-**	**-**	**$2,221,577**	**-**	**-**	**-**	**$2,221,577**
Total Expenditures							
Total Expenditures	-	-	2,221,577	-	-	-	2,221,577
Total Expenditures	**-**	**-**	**$2,221,577**	**-**	**-**	**-**	**$2,221,577**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 021 - Phase - In

Cross Reference Name: OHA Shared Services
Cross Reference Number: 44300-010-45-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Other Revenues	-	-	57,186	-	-	-	57,186
Total Revenues	**-**	**-**	**$57,186**	**-**	**-**	**-**	**$57,186**
Services & Supplies							
Instate Travel	-	-	12,685	-	-	-	12,685
Employee Training	-	-	7,855	-	-	-	7,855
Office Expenses	-	-	24,136	-	-	-	24,136
Telecommunications	-	-	10,206	-	-	-	10,206
Data Processing	-	-	-	-	-	-	-
Other Services and Supplies	-	-	2,192	-	-	-	2,192
Expendable Prop 250 - 5000	-	-	112	-	-	-	112
Total Services & Supplies	**-**	**-**	**$57,186**	**-**	**-**	**-**	**$57,186**
Total Expenditures							
Total Expenditures	-	-	57,186	-	-	-	57,186
Total Expenditures	**-**	**-**	**$57,186**	**-**	**-**	**-**	**$57,186**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: OHA Shared Services
Cross Reference Number: 44300-010-45-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Other Revenues	-	-	1,336,598	-	-	-	1,336,598
Total Revenues	**-**	**-**	**$1,336,598**	**-**	**-**	**-**	**$1,336,598**
Services & Supplies							
Instate Travel	-	-	33,567	-	-	-	33,567
Out of State Travel	-	-	3,499	-	-	-	3,499
Employee Training	-	-	16,309	-	-	-	16,309
Office Expenses	-	-	41,469	-	-	-	41,469
Telecommunications	-	-	24,019	-	-	-	24,019
Data Processing	-	-	401,162	-	-	-	401,162
Publicity and Publications	-	-	375	-	-	-	375
Professional Services	-	-	37,072	-	-	-	37,072
IT Professional Services	-	-	504,283	-	-	-	504,283
Attorney General	-	-	1,524	-	-	-	1,524
Employee Recruitment and Develop	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	4,441	-	-	-	4,441
Facilities Rental and Taxes	-	-	625	-	-	-	625
Fuels and Utilities	-	-	-	-	-	-	-
Facilities Maintenance	-	-	1,073	-	-	-	1,073
Agency Program Related S and S	-	-	4,999	-	-	-	4,999
Other Services and Supplies	-	-	4,495	-	-	-	4,495
Expendable Prop 250 - 5000	-	-	6,556	-	-	-	6,556

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: OHA Shared Services
Cross Reference Number: 44300-010-45-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
IT Expendable Property	-	-	243,322	-	-	-	243,322
Total Services & Supplies	**-**	**-**	**$1,328,790**	**-**	**-**	**-**	**$1,328,790**
Capital Outlay							
Technical Equipment	-	-	-	-	-	-	-
Total Capital Outlay	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Special Payments							
Other Special Payments	-	-	7,808	-	-	-	7,808
Total Special Payments	**-**	**-**	**$7,808**	**-**	**-**	**-**	**$7,808**
Total Expenditures							
Total Expenditures	-	-	1,336,598	-	-	-	1,336,598
Total Expenditures	**-**	**-**	**$1,336,598**	**-**	**-**	**-**	**$1,336,598**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 201 - Integrated Eligibility

Cross Reference Name: OHA Shared Services
Cross Reference Number: 44300-010-45-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Other Revenues	-	-	10,762,599	-	-	-	10,762,599
Total Revenues	**-**	**-**	**$10,762,599**	**-**	**-**	**-**	**$10,762,599**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	2,806,308	-	-	-	2,806,308
All Other Differential	-	-	4,540,573	-	-	-	4,540,573
Empl. Rel. Bd. Assessments	-	-	1,128	-	-	-	1,128
Public Employees' Retire Cont	-	-	1,296,703	-	-	-	1,296,703
Social Security Taxes	-	-	562,036	-	-	-	562,036
Worker's Comp. Assess. (WCD)	-	-	1,356	-	-	-	1,356
Mass Transit Tax	-	-	27,242	-	-	-	27,242
Flexible Benefits	-	-	658,386	-	-	-	658,386
Total Personal Services	**-**	**-**	**$9,893,732**	**-**	**-**	**-**	**$9,893,732**
Services & Supplies							
Instate Travel	-	-	56,858	-	-	-	56,858
Employee Training	-	-	119,904	-	-	-	119,904
Office Expenses	-	-	108,173	-	-	-	108,173
Telecommunications	-	-	45,763	-	-	-	45,763
Other Services and Supplies	-	-	9,840	-	-	-	9,840
Expendable Prop 250 - 5000	-	-	10,472	-	-	-	10,472
Total Services & Supplies	**-**	**-**	**$351,010**	**-**	**-**	**-**	**$351,010**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 201 - Integrated Eligibility

Cross Reference Name: OHA Shared Services
Cross Reference Number: 44300-010-45-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Special Payments							
Other Special Payments	-	-	517,857	-	-	-	517,857
Total Special Payments	**-**	**-**	**$517,857**	**-**	**-**	**-**	**$517,857**
Total Expenditures							
Total Expenditures	-	-	10,762,599	-	-	-	10,762,599
Total Expenditures	**-**	**-**	**$10,762,599**	**-**	**-**	**-**	**$10,762,599**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							22
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**22**
Total FTE							
Total FTE							19.75
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**19.75**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 202 - ISPO Investments

Cross Reference Name: OHA Shared Services
Cross Reference Number: 44300-010-45-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Other Revenues	-	-	932,316	-	-	-	932,316
Total Revenues	**-**	**-**	**$932,316**	**-**	**-**	**-**	**$932,316**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	584,760	-	-	-	584,760
Empl. Rel. Bd. Assessments	-	-	228	-	-	-	228
Public Employees' Retire Cont	-	-	111,629	-	-	-	111,629
Social Security Taxes	-	-	44,734	-	-	-	44,734
Worker's Comp. Assess. (WCD)	-	-	276	-	-	-	276
Flexible Benefits	-	-	133,344	-	-	-	133,344
Total Personal Services	**-**	**-**	**$874,971**	**-**	**-**	**-**	**$874,971**
Services & Supplies							
Instate Travel	-	-	13,741	-	-	-	13,741
Employee Training	-	-	8,532	-	-	-	8,532
Office Expenses	-	-	21,908	-	-	-	21,908
Telecommunications	-	-	9,268	-	-	-	9,268
Other Services and Supplies	-	-	1,992	-	-	-	1,992
Expendable Prop 250 - 5000	-	-	1,904	-	-	-	1,904
Total Services & Supplies	**-**	**-**	**$57,345**	**-**	**-**	**-**	**$57,345**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 202 - ISPO Investments

Cross Reference Name: OHA Shared Services
Cross Reference Number: 44300-010-45-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	-	-	932,316	-	-	-	932,316
Total Expenditures	**-**	**-**	**$932,316**	**-**	**-**	**-**	**$932,316**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							4
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**4**
Total FTE							
Total FTE							4.00
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**4.00**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 405 - MMIS Modularization

Cross Reference Name: OHA Shared Services
Cross Reference Number: 44300-010-45-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Other Revenues	-	-	2,022,391	-	-	-	2,022,391
Total Revenues	**-**	**-**	**$2,022,391**	**-**	**-**	**-**	**$2,022,391**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	1,269,888	-	-	-	1,269,888
Empl. Rel. Bd. Assessments	-	-	513	-	-	-	513
Public Employees' Retire Cont	-	-	219,340	-	-	-	219,340
Social Security Taxes	-	-	97,148	-	-	-	97,148
Worker's Comp. Assess. (WCD)	-	-	621	-	-	-	621
Flexible Benefits	-	-	300,024	-	-	-	300,024
Total Personal Services	**-**	**-**	**$1,887,534**	**-**	**-**	**-**	**$1,887,534**
Services & Supplies							
Instate Travel	-	-	25,911	-	-	-	25,911
Employee Training	-	-	24,382	-	-	-	24,382
Office Expenses	-	-	49,293	-	-	-	49,293
Telecommunications	-	-	20,853	-	-	-	20,853
Other Services and Supplies	-	-	4,482	-	-	-	4,482
Expendable Prop 250 - 5000	-	-	4,284	-	-	-	4,284
Total Services & Supplies	**-**	**-**	**$129,205**	**-**	**-**	**-**	**$129,205**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 405 - MMIS Modularization

Cross Reference Name: OHA Shared Services
Cross Reference Number: 44300-010-45-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Special Payments							
Other Special Payments	-	-	5,652	-	-	-	5,652
Total Special Payments	**-**	**-**	**$5,652**	**-**	**-**	**-**	**$5,652**
Total Expenditures							
Total Expenditures	-	-	2,022,391	-	-	-	2,022,391
Total Expenditures	**-**	**-**	**$2,022,391**	**-**	**-**	**-**	**$2,022,391**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							9
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**9**
Total FTE							
Total FTE							9.00
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**9.00**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: State Assessments and Enterprise-wide Costs**

Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor | **Cross Reference Number: 44300-010-50-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(2,069,302)	-	-	-	-	-	(2,069,302)
Other Revenues	-	-	(292,905)	-	-	-	(292,905)
Federal Funds	-	-	-	4,216	-	-	4,216
Total Revenues	**($2,069,302)**	**-**	**($292,905)**	**$4,216**	**-**	**-**	**($2,357,991)**
Personal Services							
Temporary Appointments	-	-	-	-	-	-	-
Overtime Payments	-	-	-	-	-	-	-
Shift Differential	-	-	-	-	-	-	-
All Other Differential	-	-	-	-	-	-	-
Public Employees' Retire Cont	-	-	-	-	-	-	-
Social Security Taxes	-	-	-	-	-	-	-
Unemployment Assessments	17,799	-	3,008	4,216	-	-	25,023
Mass Transit Tax	(2,087,101)	-	(295,913)	-	-	-	(2,383,014)
Total Personal Services	**($2,069,302)**	**-**	**($292,905)**	**$4,216**	**-**	**-**	**($2,357,991)**
Services & Supplies							
Facilities Rental and Taxes	-	-	-	-	-	-	-
Other Services and Supplies	-	-	-	-	-	-	-
Total Services & Supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: State Assessments and Enterprise-wide Costs**

Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor | **Cross Reference Number: 44300-010-50-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	(2,069,302)	-	(292,905)	4,216	-	-	(2,357,991)
Total Expenditures	**($2,069,302)**	**-**	**($292,905)**	**$4,216**	**-**	**-**	**($2,357,991)**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 021 - Phase - In

Cross Reference Name: State Assessments and Enterprise-wide Costs
Cross Reference Number: 44300-010-50-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	2,243,141	-	-	-	-	-	2,243,141
Other Revenues	-	-	200,750	-	-	-	200,750
Federal Funds	-	-	-	6,563,339	-	-	6,563,339
Total Revenues	**$2,243,141**	**-**	**$200,750**	**$6,563,339**	**-**	**-**	**$9,007,230**
Services & Supplies							
Office Expenses	6,923	-	19,945	4,517	-	-	31,385
Telecommunications	179	-	513	114	-	-	806
State Gov. Service Charges	-	-	-	-	-	-	-
Data Processing	2,174,079	-	1,640	6,520,625	-	-	8,696,344
Facilities Rental and Taxes	55,852	-	160,877	36,439	-	-	253,168
Expendable Prop 250 - 5000	3,371	-	9,354	1,468	-	-	14,193
Total Services & Supplies	**$2,240,404**	**-**	**$192,329**	**$6,563,163**	**-**	**-**	**$8,995,896**
Special Payments							
Other Special Payments	2,737	-	8,421	176	-	-	11,334
Total Special Payments	**$2,737**	**-**	**$8,421**	**$176**	**-**	**-**	**$11,334**
Total Expenditures							
Total Expenditures	2,243,141	-	200,750	6,563,339	-	-	9,007,230
Total Expenditures	**$2,243,141**	**-**	**$200,750**	**$6,563,339**	**-**	**-**	**$9,007,230**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 021 - Phase - In

Cross Reference Name: State Assessments and Enterprise-wide Costs
Cross Reference Number: 44300-010-50-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: State Assessments and Enterprise-wide Costs
Cross Reference Number: 44300-010-50-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	5,869,441	-	-	-	-	-	5,869,441
Other Revenues	-	-	1,544,327	-	-	-	1,544,327
Federal Funds	-	-	-	2,534,201	-	-	2,534,201
Total Revenues	**$5,869,441**	**-**	**$1,544,327**	**$2,534,201**	**-**	**-**	**$9,947,969**
Services & Supplies							
Instate Travel	409	-	113	353	-	-	875
Out of State Travel	-	-	-	-	-	-	-
Employee Training	-	-	-	-	-	-	-
Office Expenses	9,143	-	3,473	7,212	-	-	19,828
Telecommunications	63,211	-	18,099	61,840	-	-	143,150
State Gov. Service Charges	2,772,818	-	391,503	(93,019)	-	-	3,071,302
Data Processing	304,538	-	66,343	553,803	-	-	924,684
Publicity and Publications	-	-	-	-	-	-	-
Professional Services	2,754	-	757	2,373	-	-	5,884
IT Professional Services	-	-	-	-	-	-	-
Attorney General	160	-	44	138	-	-	342
Employee Recruitment and Develop	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-
Facilities Rental and Taxes	815,176	-	466,974	769,203	-	-	2,051,353
Fuels and Utilities	9,318	-	2,330	6,272	-	-	17,920
Facilities Maintenance	10,916	-	2,729	7,347	-	-	20,992
Food and Kitchen Supplies	-	-	-	-	-	-	-
Medical Services and Supplies	-	-	-	-	-	-	-
Agency Program Related S and S	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: State Assessments and Enterprise-wide Costs
Cross Reference Number: 44300-010-50-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Intra-agency Charges	-	-	-	4,196	-	-	4,196
Other Services and Supplies	40,179	-	5,088	15,785	-	-	61,052
Expendable Prop 250 - 5000	41,801	-	13,629	28,433	-	-	83,863
IT Expendable Property	13,340	-	514	14,749	-	-	28,603
Total Services & Supplies	**$4,083,763**	**-**	**$971,596**	**$1,378,685**	**-**	**-**	**$6,434,044**
Capital Outlay							
Data Processing Hardware	-	-	-	-	-	-	-
Other Capital Outlay	-	-	-	-	-	-	-
Total Capital Outlay	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Special Payments							
Other Special Payments	1,785,678	-	572,731	1,155,516	-	-	3,513,925
Total Special Payments	**$1,785,678**	**-**	**$572,731**	**$1,155,516**	**-**	**-**	**$3,513,925**
Total Expenditures							
Total Expenditures	5,869,441	-	1,544,327	2,534,201	-	-	9,947,969
Total Expenditures	**$5,869,441**	**-**	**$1,544,327**	**$2,534,201**	**-**	**-**	**$9,947,969**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: State Assessments and Enterprise-wide Costs**

Pkg: 032 - Above Standard Inflation | **Cross Reference Number: 44300-010-50-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	1,472,540	-	-	-	-	-	1,472,540
Other Revenues	-	-	507,994	-	-	-	507,994
Federal Funds	-	-	-	759,405	-	-	759,405
Total Revenues	**$1,472,540**	**-**	**$507,994**	**$759,405**	**-**	**-**	**$2,739,939**
Services & Supplies							
Telecommunications	2,197,009	-	626,751	2,113,408	-	-	4,937,168
Data Processing	(724,469)	-	(118,757)	(1,354,003)	-	-	(2,197,229)
Total Services & Supplies	**$1,472,540**	**-**	**$507,994**	**$759,405**	**-**	**-**	**$2,739,939**
Total Expenditures							
Total Expenditures	1,472,540	-	507,994	759,405	-	-	2,739,939
Total Expenditures	**$1,472,540**	**-**	**$507,994**	**$759,405**	**-**	**-**	**$2,739,939**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 033 - Exceptional Inflation

Cross Reference Name: State Assessments and Enterprise-wide Costs
Cross Reference Number: 44300-010-50-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	549,567	-	-	-	-	-	549,567
Fines and Forfeitures	-	-	-	-	-	-	-
Other Revenues	-	-	158,063	-	-	-	158,063
Federal Funds	-	-	-	370,417	-	-	370,417
Total Revenues	**$549,567**	**-**	**$158,063**	**$370,417**	**-**	**-**	**$1,078,047**
Services & Supplies							
Telecommunications	167,751	-	35,530	123,355	-	-	326,636
Total Services & Supplies	**$167,751**	**-**	**$35,530**	**$123,355**	**-**	**-**	**$326,636**
Special Payments							
Other Special Payments	381,816	-	122,533	247,062	-	-	751,411
Total Special Payments	**$381,816**	**-**	**$122,533**	**$247,062**	**-**	**-**	**$751,411**
Total Expenditures							
Total Expenditures	549,567	-	158,063	370,417	-	-	1,078,047
Total Expenditures	**$549,567**	**-**	**$158,063**	**$370,417**	**-**	**-**	**$1,078,047**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 060 - Technical Adjustments

Cross Reference Name: State Assessments and Enterprise-wide Costs
Cross Reference Number: 44300-010-50-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Other Revenues	-	-	40,992	-	-	-	40,992
Total Revenues	**-**	**-**	**$40,992**	**-**	**-**	**-**	**$40,992**
Services & Supplies							
Office Expenses	-	-	1,726	-	-	-	1,726
Telecommunications	-	-	86	-	-	-	86
State Gov. Service Charges	-	-	-	-	-	-	-
Data Processing	-	-	2,668	-	-	-	2,668
Facilities Rental and Taxes	27,639	-	23,233	23,523	-	-	74,395
Other Services and Supplies	(27,639)	-	(7,645)	(23,523)	-	-	(58,807)
Expendable Prop 250 - 5000	-	-	19,148	-	-	-	19,148
Total Services & Supplies	**-**	**-**	**$39,216**	**-**	**-**	**-**	**$39,216**
Special Payments							
Other Special Payments	-	-	1,776	-	-	-	1,776
Total Special Payments	**-**	**-**	**$1,776**	**-**	**-**	**-**	**$1,776**
Total Expenditures							
Total Expenditures	-	-	40,992	-	-	-	40,992
Total Expenditures	**-**	**-**	**$40,992**	**-**	**-**	**-**	**$40,992**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: State Assessments and Enterprise-wide Costs**

Pkg: 060 - Technical Adjustments | **Cross Reference Number: 44300-010-50-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 202 - ISPO Investments

Cross Reference Name: State Assessments and Enterprise-wide Costs
Cross Reference Number: 44300-010-50-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	211,454	-	-	-	-	-	211,454
Other Revenues	-	-	93,918	-	-	-	93,918
Federal Funds	-	-	-	101,542	-	-	101,542
Total Revenues	**$211,454**	**-**	**$93,918**	**$101,542**	**-**	**-**	**$406,914**
Services & Supplies							
Office Expenses	3,427	-	1,548	1,673	-	-	6,648
Telecommunications	85	-	38	41	-	-	164
Data Processing	2,738	-	1,237	1,337	-	-	5,312
Facilities Rental and Taxes	27,637	-	12,481	13,494	-	-	53,612
Other Services and Supplies	3,487	-	-	-	-	-	3,487
Expendable Prop 250 - 5000	10,838	-	4,894	5,292	-	-	21,024
IT Expendable Property	5,403	-	2,439	2,638	-	-	10,480
Total Services & Supplies	**$53,615**	**-**	**$22,637**	**$24,475**	**-**	**-**	**$100,727**
Special Payments							
Other Special Payments	157,839	-	71,281	77,067	-	-	306,187
Total Special Payments	**$157,839**	**-**	**$71,281**	**$77,067**	**-**	**-**	**$306,187**
Total Expenditures							
Total Expenditures	211,454	-	93,918	101,542	-	-	406,914
Total Expenditures	**$211,454**	**-**	**$93,918**	**$101,542**	**-**	**-**	**$406,914**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 202 - ISPO Investments

Cross Reference Name: State Assessments and Enterprise-wide Costs
Cross Reference Number: 44300-010-50-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 203 - SOS Performance Audits

Cross Reference Name: State Assessments and Enterprise-wide Costs
Cross Reference Number: 44300-010-50-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	1,364,312	-	-	-	-	-	1,364,312
Other Revenues	-	-	(380,815)	-	-	-	(380,815)
Federal Funds	-	-	-	(983,497)	-	-	(983,497)
Total Revenues	**$1,364,312**	**-**	**($380,815)**	**($983,497)**	**-**	**-**	**-**
Services & Supplies							
State Gov. Service Charges	1,364,312	-	(380,815)	(983,497)	-	-	-
Total Services & Supplies	**$1,364,312**	**-**	**($380,815)**	**($983,497)**	**-**	**-**	**-**
Total Expenditures							
Total Expenditures	1,364,312	-	(380,815)	(983,497)	-	-	-
Total Expenditures	**$1,364,312**	**-**	**($380,815)**	**($983,497)**	**-**	**-**	**-**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: State Assessments and Enterprise-wide Costs**

Pkg: 204 - OPAR Position Reconciliation and True-up | **Cross Reference Number: 44300-010-50-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	493,863	-	-	-	-	-	493,863
Federal Funds	-	-	-	493,863	-	-	493,863
Total Revenues	**$493,863**	**-**	**-**	**$493,863**	**-**	**-**	**$987,726**
Special Payments							
Other Special Payments	493,863	-	-	493,863	-	-	987,726
Total Special Payments	**$493,863**	**-**	**-**	**$493,863**	**-**	**-**	**$987,726**
Total Expenditures							
Total Expenditures	493,863	-	-	493,863	-	-	987,726
Total Expenditures	**$493,863**	**-**	**-**	**$493,863**	**-**	**-**	**$987,726**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: State Assessments and Enterprise-wide Costs**

Pkg: 205 - Background Check Unit Workload | **Cross Reference Number: 44300-010-50-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	221,932	-	-	-	-	-	221,932
Other Revenues	-	-	37,558	-	-	-	37,558
Federal Funds	-	-	-	81,944	-	-	81,944
Total Revenues	**$221,932**	**-**	**$37,558**	**$81,944**	**-**	**-**	**$341,434**
Special Payments							
Other Special Payments	221,932	-	37,558	81,944	-	-	341,434
Total Special Payments	**$221,932**	**-**	**$37,558**	**$81,944**	**-**	**-**	**$341,434**
Total Expenditures							
Total Expenditures	221,932	-	37,558	81,944	-	-	341,434
Total Expenditures	**$221,932**	**-**	**$37,558**	**$81,944**	**-**	**-**	**$341,434**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 206 - FMLA / OFLA

Cross Reference Name: State Assessments and Enterprise-wide Costs
Cross Reference Number: 44300-010-50-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	64,300	-	-	-	-	-	64,300
Other Revenues	-	-	10,882	-	-	-	10,882
Federal Funds	-	-	-	23,741	-	-	23,741
Total Revenues	**$64,300**	**-**	**$10,882**	**$23,741**	**-**	**-**	**$98,923**
Special Payments							
Other Special Payments	64,300	-	10,882	23,741	-	-	98,923
Total Special Payments	**$64,300**	**-**	**$10,882**	**$23,741**	**-**	**-**	**$98,923**
Total Expenditures							
Total Expenditures	64,300	-	10,882	23,741	-	-	98,923
Total Expenditures	**$64,300**	**-**	**$10,882**	**$23,741**	**-**	**-**	**$98,923**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 405 - MMIS Modularization

Cross Reference Name: State Assessments and Enterprise-wide Costs
Cross Reference Number: 44300-010-50-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	23,201	-	-	-	-	-	23,201
Federal Funds	-	-	-	208,812	-	-	208,812
Total Revenues	**$23,201**	**-**	**-**	**$208,812**	**-**	**-**	**$232,013**
Services & Supplies							
Office Expenses	1,496	-	-	13,462	-	-	14,958
Telecommunications	37	-	-	332	-	-	369
Data Processing	1,195	-	-	10,757	-	-	11,952
Facilities Rental and Taxes	12,063	-	-	108,564	-	-	120,627
Other Services and Supplies	757	-	-	6,814	-	-	7,571
Expendable Prop 250 - 5000	4,730	-	-	42,574	-	-	47,304
IT Expendable Property	2,358	-	-	21,222	-	-	23,580
Total Services & Supplies	**$22,636**	**-**	**-**	**$203,725**	**-**	**-**	**$226,361**
Special Payments							
Other Special Payments	565	-	-	5,087	-	-	5,652
Total Special Payments	**$565**	**-**	**-**	**$5,087**	**-**	**-**	**$5,652**
Total Expenditures							
Total Expenditures	23,201	-	-	208,812	-	-	232,013
Total Expenditures	**$23,201**	**-**	**-**	**$208,812**	**-**	**-**	**$232,013**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 405 - MMIS Modularization

Cross Reference Name: State Assessments and Enterprise-wide Costs
Cross Reference Number: 44300-010-50-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

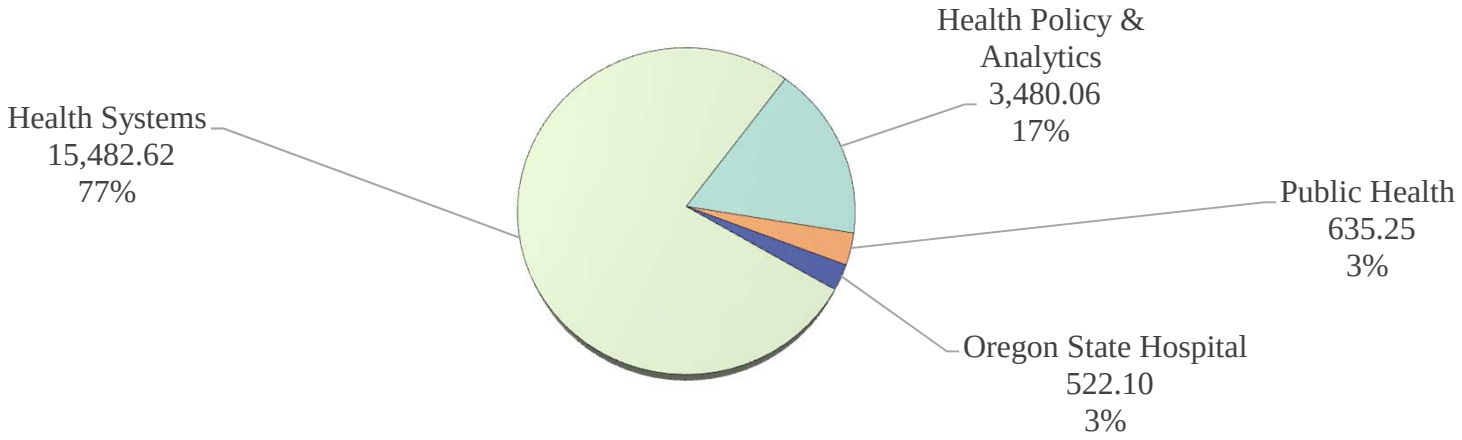
ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: State Assessments and Enterprise-wide Costs**

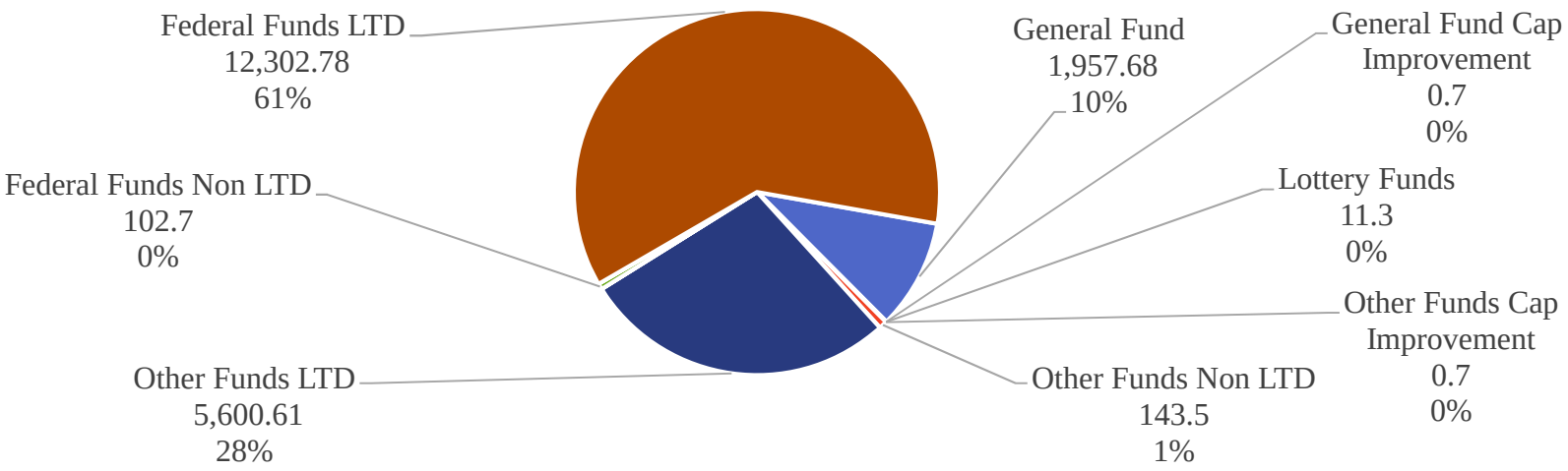
Pkg: 412 - SGSC & Telecomm Exceptions | **Cross Reference Number: 44300-010-50-00-00000**

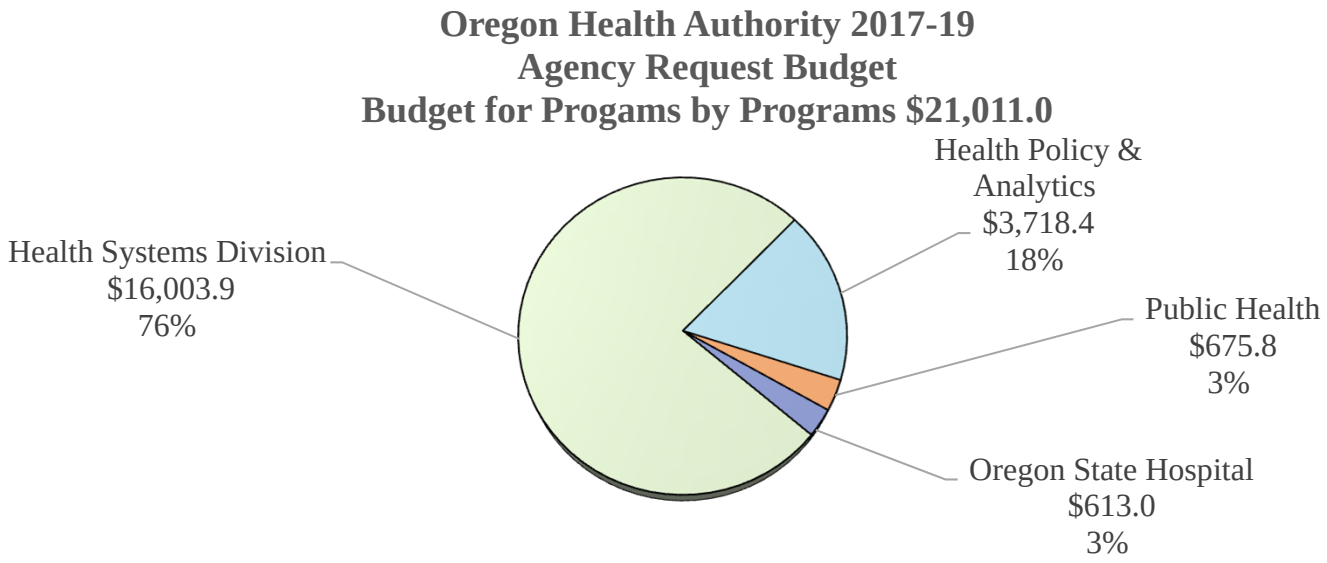
Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	1,390,305	-	-	-	-	-	1,390,305
Other Revenues	-	-	363,041	-	-	-	363,041
Federal Funds	-	-	-	1,222,961	-	-	1,222,961
Total Revenues	**$1,390,305**	**-**	**$363,041**	**$1,222,961**	**-**	**-**	**$2,976,307**
Services & Supplies							
Office Expenses	2,690	-	718	2,112	-	-	5,520
Telecommunications	1,077,353	-	308,060	1,063,116	-	-	2,448,529
Other Services and Supplies	310,262	-	54,263	157,733	-	-	522,258
Total Services & Supplies	**$1,390,305**	**-**	**$363,041**	**$1,222,961**	**-**	**-**	**$2,976,307**
Total Expenditures							
Total Expenditures	1,390,305	-	363,041	1,222,961	-	-	2,976,307
Total Expenditures	**$1,390,305**	**-**	**$363,041**	**$1,222,961**	**-**	**-**	**$2,976,307**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

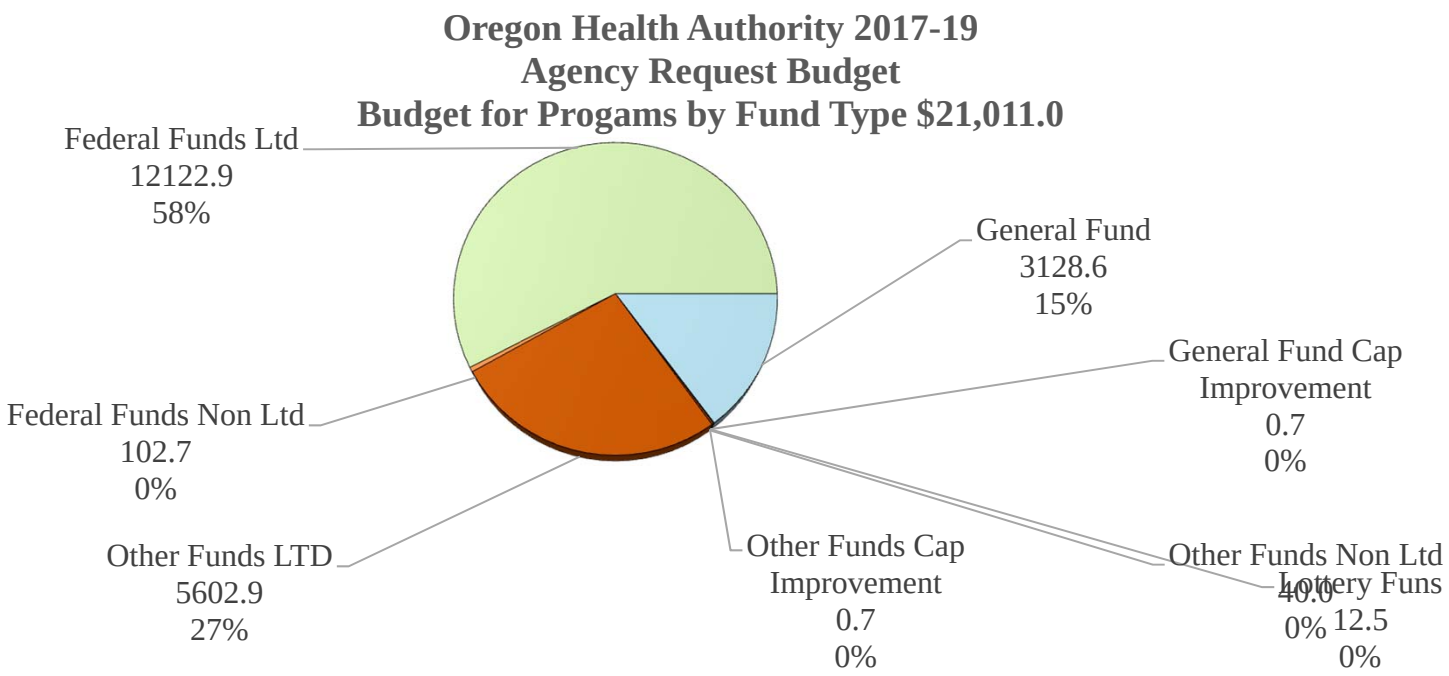
Oregon Health Authority
2015-17 Legislatively Approved Budget
Programs Funds $20,120.0



Oregon Health Authority
2015-17 Legislatively Approved Budget
bu Fimds Type $20,120.0




Oregon Health Authority 2017-19
Agency Request Budget
Budget for Progams by Programs $21,011.0
Health Policy & Analytics
$3,718.4
18%
Health Systems Division
$16,003.9
76%
Public Health
$675.8
3%
Oregon State Hospital
$613.0
3%


Oregon Health Authority 2017-19
Agency Request Budget
Budget for Progams by Fund Type $21,011.0
Federal Funds Ltd
12122.9
58%
General Fund
3128.6
15%
General Fund Cap Improvement
0.7
0%
Federal Funds Non Ltd
102.7
0%
Other Funds LTD
5602.9
27%
Other Funds Cap Improvement
0.7
0%
Other Funds Non Ltd
40.0
0%
Lottery Funs
12.5
0%

Health Systems - Program Support & Admin 44300-030-01-01-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
GENERAL FUND					
REVENUES					
General Fund Appropriation	0050	GF	97,157,369	121,990,968	132,756,840
TOTAL REVENUES		**GF**	**97,157,369**	**121,990,968**	**132,756,840**
TOTAL GENERAL FUNDS		**GF**	**97,157,369**	**121,990,968**	**132,756,840**
LOTTERY FUNDS					
TRANSFERS IN / OUT					
Beginning Balance	0025	LF	343,446	-	-
Transfers from Administrative Services	1107	LF	10,592,542	2,263,123	2,350,009
TOTAL TRANSFERS IN / OUT		**LF**	**10,935,988**	**2,263,123**	**2,350,009**
TOTAL LOTTERY FUNDS			**10,935,988**	**2,263,123**	**2,350,009**
OTHER FUNDS					
REVENUES					
Beginning Balance	0025	OF	1,261,088	-	-
Other Selective Taxes	0190	OF	3,135,935	-	-
Business License & Fees	0205	OF	32,540	-	-
Non-Business License & Fees	0210	OF	31	-	-
Administrative Service Charges	0415	OF	323,515	-	-
Interest Income	0605	OF	5,811	-	-
Grants (Non-FED)	0910	OF	-	154,918	-
Insurance Premiums	0965	OF	291	-	-
Other Revenues	0975	OF	8,762,148	9,929,980	8,601,331
TOTAL REVENUES		**OF**	**13,521,359**	**10,084,898**	**8,601,331**

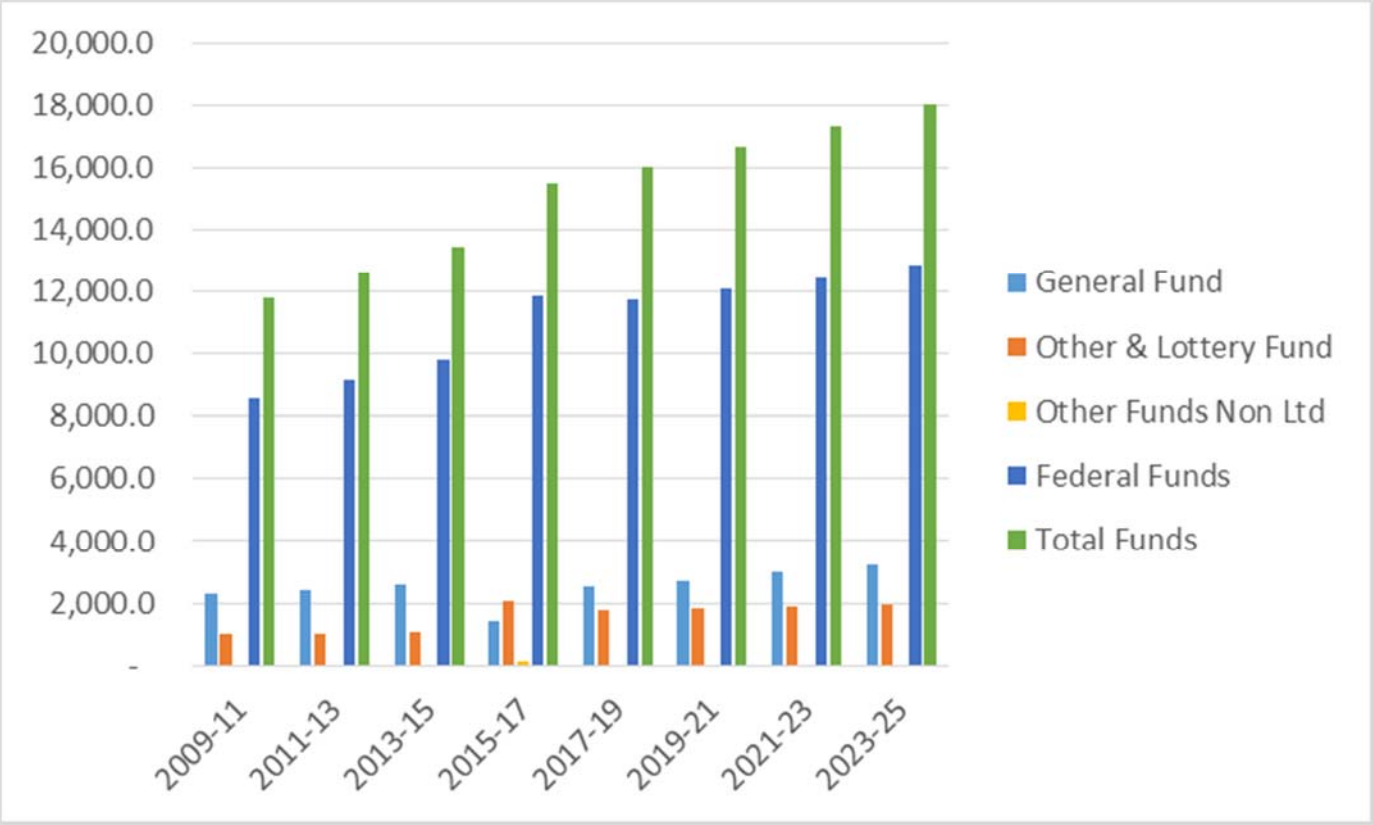
Health Systems - Program Support & Admin 44300-030-01-01-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
TRANSFER IN					
Transfer in Intrafund	1010	OF	159,542	-	-
Transfer in Revenue Department	1150	OF	1,787	2,325,416	3,578,300
Transfer in State Police	1257	OF	145,621	-	-
Tsfr From Oregon Health Authority	1443	OF	1,800	-	-
Transfer in Education	1581	OF	889,407	1,322,340	1,273,413
Transfer in Health Relations Licensing Board	1833	OF	8,950	-	-
Transfer in Board of Dentistry	1834	OF	204,900	185,128	-
Transfer in Oregon Medical Board	1847	OF	817,774	791,149	-
Transfer in Board of Nursing	1851	OF	1,457,496	1,643,453	1,643,453
Transfer in Board of Pharmacy	1855	OF	137,332	176,899	-
TOTAL TRANSFERS IN		**OF**	**3,824,609**	**6,444,385**	**6,495,166**
TOTAL OTHER FUNDS		**OF**	**17,345,968**	**16,529,283**	**15,096,497**
FEDERAL FUNDS REVENUES					
Federal Funds Revenue	0995	FF	177,487,325	237,541,764	248,222,153
TOTAL REVENUES		**FF**	**177,487,325**	**237,541,764**	**248,222,153**
TOTAL FEDERAL FUNDS		**FF**	**177,487,325**	**237,541,764**	**248,222,153**
TOTAL AVAILABLE REVENUES		**TF**	**302,926,650**	**378,325,138**	**398,425,499**

OREGON HEALTH AUTHORITY: HEALTH SYSTEMS DIVISION

Program Unit Executive Summary

Long term focus areas: Excellence in State Government, Safer, Healthier Communities

Primary contact: Varsha Chauhan, Chief Health Systems Officer
503-947-2659



Program overview

The budget for Health Systems Division includes:

- Program Support and Administration
- Medicaid
- Non-Medicaid

Through its functional realignment, the Oregon Health Authority integrated Medical Assistance Programs (MAP) and Addictions and Mental Health (AMH) into the Health Systems Division (HSD) and structured the Oregon State Hospital as a stand-alone program unit.

Program funding request

For the 2017-2019 biennium, the Oregon Health Authority requests the following budget (in millions) for Health Systems Division:

- 2017-2019 request: $16,003.9 TF ($2,505.2 GF, $1,783.1 OF, and $11,715.7 FF)

The Oregon Health Authority estimates the following costs for Health Systems Division through the 2025-2027 biennium:

- 2019-2021 projected costs: $16.634.4 TF ($2730.6 GF, $1,836.5 OF, and $12,067.2 FF)
- 2021-2023 projected costs: $17,311.1 TF ($2,976.4 GF, $1,893.5 OF, and $12,441.3 FF)
- 2023-2025 projected costs: $18,023.4 TF ($3,244.3 GF, $1,952.2 OF, and $12,826.9 FF)
- 2025-2027 projected costs: $18,482.6 TF ($3,245.4 GF, $2,012.7 OF, and $13,224.6 FF)

Health Systems Division is projected to provide health care coverage for approximately:

- 1,068,667 Oregonians on average per month for the 2017-2019 biennium
- 1,084,252 Oregonians on average per month for the 2019-21 biennium

Program Description

The Health Systems Division budget includes:

HSD – Program Support and Administration

HSD program support ensures HSD has the administrative infrastructure, and operational and technology resources, including human resources, necessary to fulfill the mission and perform HSD's legislative charge and mandates. The Health Systems Division is a newly integrated area that includes the former MAP and AMH. This area ensures systematic health care transformation in the coordinated care model occurs at the coordinated care organization level and that state operations are effective, efficient, and fiscally sustainable. HSD oversees regulatory and operational management of Oregon's health delivery system. The division manages the implementation and evaluation of multiple statewide programs and activities in support of the Medicaid program including integrating and coordinating interagency activities.

- Central Administration comprises the Chief Health Systems Officer and staff teams providing office management including overseeing the hiring process and paperwork, facility moves, paying administrative invoices and oversight of the administrative and program budgets and expenditures.
- The Integrated Health Programs section comprises three teams focused on both Medicaid- and non-Medicaid-funded physical, dental and behavioral health program development, operations policy, and special projects.
- The Compliance and Regulation section of the Health Systems Division is responsible for four functions: Contracts, Complaints, Regulation, and Quality Management. Contracts initiates and oversees all Health Systems contracts and grants, including but not limited to; coordinated care organization (CCO) contracts, intergovernmental agreements with local mental health authorities (LMHAs) and community mental health programs (CMHPs), direct contracts with tribes and tribal organizations, and all other physical, dental, and behavioral health contracts administered by the Oregon Health Authority.
- The Provider Services section comprises delivery system support, provider support and enrollment, provider services training, provider clinical support, and service data reporting. Within the delivery system support function, staff teams are direct the coordinated care support program by developing and implementing policies, procedures, and program priorities. In addition, staff provide legislative analysis and administrative rule input.
- The Member Services section is responsible for implementing Oregon's Medicaid program. This includes policy interpretation and compliance, eligibility evaluation and processing, and customer service for the estimated 1.1 million Oregonians receiving the program's benefits.
- The Business Systems section includes business-related functions and expenditures for information technology to support Health Systems. Its functions include Medicaid Management Information System (MMIS), the ONE system, COMPASS, Special Projects, and Business Systems Training.

HSD – Medicaid

This budget includes the Oregon Health Plan, which provides medical coverage for Medicaid under Title XIX of the Social Security Act, and Children's Health Insurance Program (CHIP) under Title XXI of the Social Security Act. Medicaid has traditionally provided medical coverage to low-income seniors, people with disabilities, children, and pregnant women. Since January 2014, the Oregon Health Plan has also covered all Oregon adults with income at or below 138 percent of the federal poverty level.

- As provided under the Affordable Care Act (ACA), the Legislature approved a budget to expand Medicaid coverage to all adults under 138 percent of the federal poverty level. This expansion is entirely federally funded through 2016. Starting in 2017, Medicaid match is phased down to 90 percent by 2020.
- During 2014 the Oregon Health Plan caseload increased by approximately 400,000 clients, primarily driven by the expansion of Medicaid coverage. The program now provides medical coverage for more than one million Oregonians.
- For approximately 90 percent of those on the Oregon Health Plan, care is provided by one of 16 CCOs designed to bring better health, better care and lower costs.

This budget includes the Citizen/Alien-Waived Emergency Medical (CAWEM) program. This is a mandatory Medicaid program. People who are ineligible for Medicaid solely because they do not meet the Medicaid citizenship or immigration status requirements are eligible for limited medical assistance under CAWEM. The program provides emergency medical services including labor and delivery services for pregnant women. Most expenditures are for labor and delivery. Clients receive services from medical providers who accept Medicaid fee-for-service payments. For the 2015-2017 biennium, the program has a budget of $41 million and serves more than 55,000 clients.

This budget includes payments to the federal government for Medicare Part D coverage for people who are eligible for both Medicaid and Medicare ("dual-eligible"). The Medicare Modernization Act of 2005 created Medicare Part D under which Medicare beneficiaries became eligible for Medicare prescription drug benefits beginning Jan. 1, 2006. This was a change for dual-eligible clients, who previously received their prescription drug coverage under Medicaid. The 2005 law requires states to pay the federal government for a large portion of the cost that the state would have paid as the state share for drug costs for dual-eligible clients. When states started paying in 2006, they paid 90 percent of the cost. For the 2015-2017 biennium, the program has a budget of $191 million based on an average monthly caseload of 77,000 dual-eligible clients.

This budget includes the Qualified Medicare Beneficiaries program. This program pays the Medicare premiums, deductibles, co-insurance and co-payments for clients. To be eligible, a person must be receiving Medicare Part A (hospital insurance benefits). Income and resources must fall within certain limits. Eligibility extends up to 135 percent of the federal poverty level. For the 2015-2017 biennium, the program has a budget of $31 million and serves almost 24,000 people.

This budget includes Medicare Part A and Part B premium payments for Medicaid-eligible clients. For the 2015-2017 biennium, the budget to pay these premiums is $80 million for Medicare Part A payments for an average of 6,800 clients a month and $351 million for Medicare Part B payments for an average of 120,000 clients a month.

This budget includes Law Enforcement Medical Liability Account (LEMLA), which pays medical claims for individuals who are injured in interactions with law enforcement. Law enforcement agencies submit claims to OHA if they are unable to recover costs directly from those individuals or their insurance companies. For the 2015-2017 biennium, the LEMLA budget is $1.4 million.

HSD – Non-Medicaid

This budget supports critical elements in Oregon's community behavioral health system that serve as the safety net for all Oregonians regardless of health care coverage. An important focus of this system is to respond to individual and community crises, meeting the immediate mental health needs for a defined population and geographic region. In addition, non-Medicaid funds purchase social supports for OHP members that are not included in the Medicaid benefit package, such as early outreach and engagement, peer-based recovery and housing services. These funds help fill in the gaps by supporting social and clinical activities not reimbursed by OHP or other payers. HSD works closely with OHA's Health Policy and Analytics, the Transformation Center, OHA's Office of Equity and Inclusion division and CCOs to coordinate the system of care as well as achieve better health and better care at lower costs for all Oregonians by integrating physical and behavioral health services and promoting health equity.

HSD administers contracts and agreements with local mental health authorities such as LMHAs, CMHPs, non-profit providers, and tribes to develop and administer community-based behavioral health services and supports that are not covered by Oregon's Medicaid program. HSD services restore functioning, promote resiliency, health and recovery, and protect public safety by serving adults, children and adolescents with substance use disorders, mental and emotional disorders and problem gambling disorders as well as providing resources to their families. These services and supports are delivered in outpatient, residential, school, hospital, justice and other community settings. Culturally specific statewide and regional programs provide services for Native American,

Hispanic/Latino and African American populations. These programs are designed to deliver evidence-based services that restore individuals and their families to the highest level of functioning possible. These programs employ peer support specialists, qualified mental health associates (QMHAs), qualified mental health professionals (QMHPs), psychiatrists, psychiatric nurse practitioners, qualified health services (QHS) providers, psychologists and other independently licensed providers, Certified Alcohol and Drug Counselors (CADCs), Certified Gambling Addiction Counselors (CGACs), and personal care providers. Individual consumers and their families also are key partners. These partnerships are critical to successfully treating behavioral health conditions.

The services available include:

- Early intervention
- Mental health promotion and prevention
- Outpatient treatment
- Day treatment and residential treatment
- Acute psychiatric treatment in local hospital specialty units
- Medications and medication management
- Case management
- Housing and supports
- Peer supports and peer-delivered services
- Employment and education supports
- Psychiatric residential treatment
- Psychiatric day treatment
- Care coordination
- Crisis services
- Skills training
- Intensive community-based treatment services
- Longer term, hospital-level care to adults with mental illness who otherwise cannot be treated safely or successfully in community settings

Program justification and link to long-term outcomes

OHP is key for advancing Oregon's coordinated care model. The coordinated care organizations provide services using evidence-based practices to manage and coordinate care. Locally integrated services use patient-centered primary care homes that provide team-based care.

Looking toward the 2017-2019 biennium, OHA is applying to the federal government for a five-year extension to the Oregon Health Plan Medicaid demonstration. With that application, the agency seeks to build on the coordinated care model's success to:

- Build on health care transformation with a stronger, expanded focus on integration of physical, behavioral, and oral health care through a performance-driven system with the goal of improving health outcomes;
- Improve the social determinants of health and health equity across all low-income, vulnerable Oregonians with the goal of improving population health outcomes;
- Commit to an ongoing sustainable rate of growth for health care costs and promote increased spending on health-related services and the use of value-based payments; and
- Establish supportive partnerships with the federal government to expand the coordinated care model by implementing innovative strategies for providing high-quality, cost-effective, person-centered health care for Medicaid and Medicare dual eligible members.

HSD non-Medicaid programs ensure access to safety net behavioral health services and care for all Oregonians who are at risk of developing or who have been diagnosed with any behavioral health disorder, including problem gambling disorder and severe and persistent mental illness regardless of payer. This care is delivered in the least restrictive and most integrated setting possible by a diverse, locally administered and designed provider. Programs deliver evidence-based services that help restore individuals and their families to a level of function that is optimal for them.

These services are aligned with two of the Governor's Long Term Focus Areas: A Thriving Oregon Economy and Safer, Healthier Communities and help to reduce per capita cost, improve patient experience, and reduce chronic disease costs, while increasing the life expectancy and success of people who receive substance abuse and mental health treatment.

The U.S. Substance Abuse and Mental Health Services Administration (SAMHSA) plans to reduce the impact of substance abuse and mental illness on America's communities. In a 2012 study, SAMSHA found that the annual total estimated societal cost of

substance abuse in the United States is $510.8 billion, and that by the year 2020, behavioral health disorders will surpass all physical diseases as a major cause of disability worldwide.

Program performance

OHP has helped transform the health care delivery system to one of coordinated care with 16 CCOs delivering the vast majority of physical, oral and behavioral health services to Oregon Health Plan members.

- Over one million Oregonians, about 25 percent of Oregon's population, receive health care under this new health care delivery model
- Approximately 90 percent of members are enrolled in a coordinated care organization, covering the entire state geographically
- With nearly 95 percent of Oregonians now enrolled in health care coverage, Oregon has one of the lowest uninsured rates in the nation
- OHP has bent the per-member-per-month cost curve by staying within the 3.4 percent annual sustainable rate of growth, two percentage points below the President's 2012 budget projection of 5.4 percent
- Developed a successful, robust measurement and public reporting process to align incentive metrics, so that 5 percent of CCO budgets are now paid based on meeting incentive targets
- Health outcomes improved:
    - Emergency department visits for coordinated care enrollees decreased 23 percent since 2011
    - Hospital admissions decreased for short-term complications from diabetes
    - Hospital admissions decreased for chronic obstructive pulmonary disease

Non-Medicaid investments support a safety-net system for people who are experiencing urgent behavioral health needs and people who need social supports to maintain recovery goals. These services work cooperatively with Medicaid funded services to support individuals and families in achieving improved social and health status.

OHA and the United States Department of Justice (USDOJ) have a shared interest in the state's health system transformation and its impact on improving health outcomes for individuals with severe and persistent mental illness. OHA and USDOJ have agreed to collect data on specific metrics to better understand the system and to engage in discussions regarding services and outcomes. The

metrics are defined in Oregon's Performance Plan, which was finalized in late July 2016 and will be actively monitored for three years by USDOJ.

Enabling legislation/program authorization

The Oregon Health Plan is supported by Medicaid and the Children's Health Insurance Program (CHIP). Title XIX and Title XXI of the Social Security Act, respectively, provide the federal authorization. Oregon administers the program under the authority of the federally approved Medicaid State Plan, CHIP State Plan, and Oregon Health Plan Medicaid demonstration. The Legislature authorizes the Oregon Health Plan, including coordinated care organizations, under Oregon Revised Statutes 414.018 through 414.760.

The statutory framework for Non-Medicaid programs administered by HSD is included in the following state and federal statutes:

- ORS 430 provides OHA the statutory framework for the development, implementation and continuous operation of the community treatment programs to serve people with addiction disorders and mental health disorders subject to the availability of funds
- Alcohol and Drug Programs operate under the authority of Oregon Revised Statute (ORS) 430.254 through 430.426 and ORS 430.450- 430.590 and Federal PL 102-321 (1992) Sections 202 and 1926
- Problem gambling treatment and prevention services are mandated by Oregon Revise Statute (ORS) 413.520, which directs the Oregon Health Authority to develop and administer statewide gambling addiction programs and ensure delivery of program services

Funding streams

HSD – Medicaid

Federal matching funds (Medicaid and CHIP) are the primary funding streams supporting OHP. Oregon qualifies for these federal dollars under its federally approved Medicaid and CHIP State Plans and the Oregon Health Plan Medicaid demonstration. The federal match rate for Medicaid program expenditures and for CHIP program expenditures changes each fiscal year. Oregon funds the state's share of the program with General Fund dollars and a variety of Other Fund sources, (e.g., hospital assessment, tobacco tax, tobacco settlement payments, drug rebates,) and leveraged funds from a variety of sources such as counties and Oregon Health & Science University.

The Legislature established the hospital assessment in 2003 (Chapter 736, Oregon Laws 2003) to fund the OHP Standard program and enhanced hospital reimbursement. In 2011, the Legislature expanded the use of the assessment to support reimbursement rates for other providers, not just hospitals. In 2013, the Legislature extended the assessment two more years (with the passage of HB 2216) to provide continued support for OHP and to fund a hospital transformation performance program. OHA, in consultation with hospital representatives, sets the assessment rate by administrative rule (OAR 410-050-0861) to generate the projected revenue needed to meet budget and program objectives. As of April 1, 2016, the assessment rate is 5.3 percent.

HSD – Non-Medicaid

State General Fund: legislative appropriation for treatment services.

Other Funds: Beer and wine taxes – statutorily dedicated by ORS 430.345 to 430.380, requires local maintenance of effort and local expenditure of dedicated taxes for state-approved services. Intoxicated Driver Program Fund – statutorily dedicated by ORS 813.270, does not require any matching or maintenance of effort. Miscellaneous – contract settlements, state match from Multnomah County/DePaul and OHA, and sponsored travel reimbursements. Community Housing Trust Funds – this trust fund was established with the sale of the Dammasch hospital property (ORS 413.101). Interest from the fund is dedicated for new housing and facility maintenance to benefit people with mental illness.

Tobacco tax: During the 2013 Special Session the Legislature approved a 13 percent tobacco tax, a portion of which is dedicated to community mental health services.

Tobacco Master Settlement Agreement funds have been used in Oregon over the past several years to cover costs of health care, including those associated with tobacco-related illnesses. In building 2015-2017 budget, a portion of these funds was earmarked for non-Medicaid expenditures, in lieu of General Funds. These revenues recently began to decline, under the terms of the Master Settlement Agreement. As these funds continue to decline, additional reductions to programs or alternative sources of revenues can be expected.

Marijuana revenue: In the 2015-2017 budget build, the Department of Administrative Services estimated almost $2 million as OHA’s portion of the recreational marijuana fee-based charges. This funding was set to assist with addiction and recovery services. However, when these revenues were estimated, all of the administrative rules, and other technicalities were not yet in

place. Now that we are part way into the 2015-2017 biennium, the Department of Revenue has a better idea of what mechanisms need to be in place to allocate this funding at the beginning of the 2017-2019 biennium.

Federal Funds: Substance Abuse Prevention Treatment grant (SAPT) requirements are: 20 percent of the grant must be spent on prevention (transferred to the Public Health Division) and service levels must be maintained for specified populations such as women and women with children. The one qualifying factor for this grant is that the state must expend a minimum of state and local revenues on SAPT-related services to meet the maintenance-of-effort requirement. Access to Recovery grant (ATR), which expires Sept. 29, 2018, includes several unique requirements: nontraditional client-driven services and supports, administration of a voucher system for clients to purchase services, and free and independent choice in the selection of recovery and treatment services, including faith-based options. This grant does not require any matching or maintenance of effort. Temporary Assistance for Needy Families grant (TANF) requires maintenance of effort. Medicaid (Title XIX) has a matching requirement. Center for Mental Health Services block grant (CMHS) – at least 35 percent of each grant's service funding must be expended for mental health services for children. The grant has a maintenance of effort (MOE) requirement. PATH – Projects for Assistance in Transition from Homelessness.

Lottery Funds: Oregon Revised Statute (ORS) 461.549, dedicates 1 percent of Lottery revenue for prevention and treatment of problem gambling and does not require any matching or maintenance of effort. In spite of this, these funds are frequently reduced in times of economic decline.

A&D 66 Intoxicated Driver Prevention Fund (IDPF)/Driving Under the Influence of Intoxicants (DUII) funds provide funding to counties for intoxicated driver services, as well as contracting with Guardian Interlock to provide breathalyzer machines for IDPF clients.

Significant proposed program changes from 2015-2017:

HSD is proposing to remove the clause that allows youth to be placed in the state's Secure Adolescent Inpatient Program (SAIP) solely for a fitness to proceed evaluation. This change would allow youth to receive services to improve their mental health and fitness to proceed in the least restrictive setting. This change would provide better care as services will more often be provided in the youth's own community and improve mental health outcomes by using the natural continuity of care system aligned with the youth's mental health needs.

OREGON HEALTH AUTHORITY: HEALTH SYSTEMS DIVISION

Program Unit Narrative: Program Support and Administration

Expenditures by fund type, positions and full-time equivalents

	General	Other/Lottery	Federal	Total Fund	Pos.	FTE
Leg. Approved 15-17	$ 122.0	$ 18.8	$ 237.5	$ 378.3	612	602.9
Agency Request 17-19	$ 132.8	$ 17.4	$ 248.2	$ 398.4	0	0.0
Difference	$ 10.8	$ (1.4)	$ 10.7	$ 20.1	0	0.0
Percent Change	8%	-8%	4%	5%	0%	0%

Activities, program and issues in the program unit base budget that may require further explanation than allowed in the Program Unit Executive Summary

HSD program support ensures HSD has the administrative infrastructure, and operational and technology resources, including human resources, necessary to fulfill the mission and perform HSD's legislative charge and mandates. The Health Systems Division is a newly integrated area that includes the former MAP and AMH. This area ensures systematic health care transformation in the coordinated care model occurs at the coordinated care organization level and that state operations are effective, efficient, and fiscally sustainable. HSD oversees regulatory and operational management of Oregon's health delivery system. The division manages the implementation and evaluation of multiple statewide programs and activities in support of the Medicaid program including integrating and coordinating interagency activities.

Central Administration: Central Administration comprises the Chief Health Systems Officer and office management staff. They oversee the hiring process and paperwork, facility moves, pay administrative invoices and oversee the administrative and program budgets and expenditures.

- The Business and Portfolio Management team provides project management resources to critical path projects across the division. In addition, the team develops and offers a set of standardized project management tools to staff working in other units within HSD, serving as project managers for various special projects. Team members are versed in Lean and serve as process improvement consultants to other units across the division.
- The business office and financial coding team coordinates business continuity planning, disaster and emergency management planning, establishes project communications and coordination tools. Staff also ensure accurate coding for contract invoices, calculate and issue settlements and payments.

Integrated Health Programs: The Integrated Health Programs section comprises three teams focused on both Medicaid-funded and non-Medicaid-funded physical, dental and behavioral health program development, operations policy, and special projects.

- Medical and dental operations policy staff are design, develop, implement, monitor, and maintain Medicaid medical and dental service programs to comply with state and federal regulations.
- Adult and Child and Family Behavioral Health teams provide oversight, contract administration, and direction in the areas of child, adolescent, adult and older adult behavioral health service elements. This encompasses substance use disorder, mental health, and problem gambling services including screening and early intervention, community-based outpatient, residential, inpatient, crisis stabilization, emergency services, housing and recovery supports. Many of these services are tailored to specific populations such as juvenile and adult forensic populations, civilly committed individuals, children and families who are involved in multiple systems, young adults in transition, and older adults. In addition, staff provide legislative analysis and coordinate the administrative rule process.
- Working with internal and external multi-sector partners, the Integrated Health Programs section performs analysis that helps management make decisions about the implementation and operation of the division's health care programs. The research and analysis are focused on translating strategic policy direction into programs and services that are ready for providers to implement and members to access.

Compliance and Regulation: The Health Systems Division Compliance and Regulation section has four functions: contracts, complaints, regulation, and quality management. Contracts initiates and oversees all Health Systems contracts and grants, including CCO contracts; intergovernmental agreements with local mental health authorities (LMHAs) and community mental health programs (CMHPs); direct contracts with tribes and tribal organizations; and all other physical, dental, and behavioral health contracts administered by the Oregon Health Authority. Complaints receives, manages and resolves complaints and grievances submitted by OHP members, providers, contractors, families, advocates, and others. Its functions include:

- Complaint management
- Hearings (including support and consultation)
- Fee for service (FFS) and managed care complaint and grievance review and monitoring
- Processing of hearing requests for OHP coverage denials

The Regulatory team licenses, certifies and approves mental health and addiction service providers statewide. It evaluates programs to ensure services are provided to individuals in a safe and therapeutic manner in compliance with all applicable Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OARs). This includes:

- Certification of child and adolescent treatment programs
- Civil commitment
- CMHPs
- Outpatient behavioral health programs (mental health, substance use disorder and problem gambling)
- Residential licensing

The Quality Management (QM) team is responsible for the Compliance and Regulation's quality control, quality assurance, quality planning and quality action initiatives for improvement. Its four main components are quality control, quality assurance (QA), quality planning and quality action initiatives for improvement.

Provider Services: The Provider Services section's functions include delivery system support, provider support and enrollment, provider services training, provider clinical support, and service data reporting.

- Delivery system support develops and implements policies, procedures, and program priorities for the coordinated care support program. This includes providing services to the CCOs and associated organizations and individuals. In addition, staff provide legislative analysis and administrative rule input.
- Provider support and enrollment enrolls providers, answers their questions and provides them with customer service. Staff also resolve complex problems, and develop, implement and monitor procedures. This unit also identifies and reports any adverse actions taken against providers by licensing and enforcement agencies.
- Provider services training develops and provides training for individual providers and coordinated care organizations. It is also ensures that program clinical and operational strategies employed by Oregon and out-of-state providers to OHA clients comply with state and federal rules. Its staff also support a system of integration of behavioral health, oral health, and physical health for FFS members.
- Service data reporting manages electronic encounter data, ensures MMIS fee for service claims and managed care encounters are processed appropriately according to state plan and associated OARs, and manages program monitoring and data analysis.

Member Services: The Member Services section operates Oregon's Medicaid program. This includes policy interpretation and compliance, eligibility evaluation and processing, and customer service for the estimated 1.1 million Oregonians receiving the program's benefits.

- The Customer Service team is to respond to client inquiries about their OHP applications and coverage. They are OHP's primary ambassadors, providing clients' primary resource by telephone. Members typically call for information about their application status, benefits, and care coordination. They also call to make changes in their personal information that may affect their eligibility. Another team serves our community partners, the trained in-person application assisters located around the state.
- The Member Services Eligibility team includes several teams with detailed eligibility expertise. Factors that can affect eligibility include Medicare, pregnancy, children's medical, tribal members, corrections, and much more. This unit handles eligibility determinations, renewals, requests for additional information, demographic changes, case closures and other eligibility-related tasks and issues.

- The Policy team of medical eligibility policy analysts oversees rule evaluation and establishment, audits and audit-required activities, and responds to legislative inquiries. They support system design, testing, and implementation. They provide ongoing review of procedures and system enhancements for policy compliance. The medical eligibility policy team also works directly with and for CMS on all matters of federal program compliance, reporting, and problem-solving.

Business Systems: Business Systems includes business-related functions and expenditures for information technology to support Health Systems. Its functions include Medicaid Management Information System (MMIS), the ONE system, COMPASS, Special Projects, and Business Systems Training.

Any additional important background for decision makers that is not mentioned above. Include trends in caseload, workload or other external factors that may influence the operation of the program

Mental Health: An agreement with the United States Department of Justice (USDOJ) related to adults with serious and persistent mental illness in Oregon was pending at the time this was written. It addresses several behavioral health care issues. In order to implement this agreement, OHA staff provide oversight, technical assistance, evaluation, and monitor and ensure compliance with the agreement and related rules and statutes.

Addiction Services: In order to address the multiple issues related to opioid use and misuse, several initiatives are underway, led by OHA Health Systems and the Public Health Division, in coordination with our multiple stakeholders and partners. The Oregon Opioid Initiative is an internal workgroup focusing on opioid related topics such as prescribing guidelines, opioids and the Medicaid population, and expanding access to medication-assisted treatment and naloxone. The goal is to help create a more accessible statewide system for patients to access office-based opioid treatment options, especially in underserved, rural and frontier areas of our state. The Naloxone Workgroup made up of state, county and other public health, treatment, and law enforcement groups is addressing the issues of access to naloxone in Oregon, including payment issues, expanding use in social services agency settings, and co-prescribing for those on high dosage opioid prescriptions.

Contracting: The administrative work of the contracting unit has increased as HSD received legislative direction to fund the behavioral health system outside of our current community mental health program contracts. The contracting unit does not have a robust technology solution that would relieve staff from manually performing tasks associated with procuring, executing and managing the contracting process. HSD administers and manages more than 280 contracts and anticipates growth in the volume of contracts and more administrative complexity in all areas associated with operations and contracting. The unit will require additional resources and a more robust technology solution to manage this growth.

Medicaid Eligibility and Enrollment: The introduction of new eligibility systems did not reduce net processing time. This led to a deficit of capacity to process the significant increase in caseload. Since the implementation of the Affordable Care Act (ACA) the Medicaid caseload has increased by 51 percent, from 626,000 to nearly 1.1 million individuals. The introduction of new determination systems has not reduced the time it takes to set up and manage a Medicaid case. Prior to the ACA, the average time to set up a case in OHA legacy systems was approximately 8 minutes. Processing time in Cover Oregon system was approximately 18 minutes and processing time in the new Oregon Eligibility System is currently averaging approximately 45 minutes. Processing time is estimated to be approximately 8 minutes once the first year of renewals, which require manual data entry, are complete.

Business Systems: The ONE System was implemented in December 2015. HSD will need staff dedicated to train workers on the system. Health Systems will also need dedicated call center staff to assist applicants. OIS and HSD will need to respectively provide technical support, including Help Desk services, and business support (e.g., business analysts, testers, trainers) for ongoing operations and maintenance.

Revenue sources and proposed revenue changes. For Lottery Funds, Other Funds, and Federal Funds revenues

State General Funds: Appropriated for behavioral health treatment services, administration and supports.

Other Funds:

- Limited amount of licensing revenue and small contracts for data reporting to the federal government and educating the system relative to the Olmstead Supreme Court decision
- A portion of court fines, fees and assessments support administrative activities related to Driving Under the influence of Intoxicants (DUII) program

Lottery Funds: A portion of the 1 percent to support problem gambling treatment programs.

Beer and Wine & Marijuana Tax Revenues: HSD receives a monthly allotment from the Mental Health Alcoholism Services Account. This revenue is appropriated for substance use disorder treatment and recovery services according to statutory requirements. A portion of this revenue also supports administration.

Federal Funds: Medicaid administrative match, small amounts of the federal block grants to meet administrative requirements, and other federal grants to fulfill the grant obligations.

Proposed new laws that apply to the program unit

None.

OREGON HEALTH AUTHORITY: HEALTH SYSTEMS DIVISION

Program Unit Narrative: Medicaid

Expenditures by fund type, positions and full-time equivalents:

	General	Other/Lottery	Federal	Total Fund	Pos.	FTE
Leg. Approved 15-17	$ 1,007.5	$ 1,958.2	$ 11,461.1	$ 14,426.8	0	0.0
Agency Request 17-19	$ 2,037.5	$ 1,680.6	$ 11,419.5	$ 15,137.6	0	0.0
Difference	$ 1,030.0	$ (277.6)	$ (41.6)	$ 710.8	0	0.0
Percent Change	51%	-17%	0%	5%	0%	0%

Health Systems Division – Medicaid has no dedicated positions or full-time equivalents. All positions that are dedicated to doing the work are in Health Systems Division Program Support and Administration budget.

Activities, program and issues in the program unit base budget that may require further explanation than allowed in the Program Unit Executive Summary

The Oregon Health Plan (OHA) Medicaid demonstration is often referred to as the OHP "waiver" because it is an agreement with the federal government to waive specific regulations to allow Oregon to administer a state-designed Medicaid program. The OHP budget is largely driven by the demonstration agreement, which requires the state to hold OHP per-member-per-month health care expenditures to no more than 3.4 percent annual growth during the 2015-2017 biennium. The current five-year demonstration expires June 30, 2017. During the five years, the federal government invested $1.9 billion in additional Federal Funds (approximately $380 million in the 2015-2017 biennium) to support Oregon's health care system transformation by allowing the state to receive Medicaid match on expenditures not traditionally allowed for matching funds under a Designated State Health Programs (DSHP) provision.

OHA has submitted the state's application to extend the OHP Medicaid demonstration another five years. Based on the success and program savings to both the state and federal government, Oregon is requesting continued additional federal investment to support

and further Oregon's health care system transformation. With that continued support, the state also is proposing to hold annual per-member-month expenditures to 3.4 percent, but with breakthrough pharmacy therapies excluded. The application and 2017-2019 Agency Request Budget include the continuation of the Hospital Transformation Performance Program. Hospital assessment revenue would continue to fund the state share for those incentive payments. The Oregon Health Authority is requesting the federal government to approve the demonstration extension by fall 2016.

The OHP budget is based on caseload forecasts and cost estimates projected for the coming two years. Because of the size of the budget, even the slightest variance from the original caseload forecast can result in a significant budget shortfall or savings. The caseload forecast used for the 2017-2019 OHP budget is especially risky because of data issues associated with transitioning to a new eligibility system while catching up on redetermining eligibility during the transition. Capitation rates for coordinated care organizations are also a significant budget driver. The agency does not set the capitation rates. For each calendar year, an independent actuary certifies the capitation rates and the federal government approves for actuarial soundness according to federal managed care regulations.

Any additional important background for decision makers that is not mentioned above. Include trends in caseload, workload or other external factors that may influence the operation of the program

The budget for Citizen/Alien Waived Emergency Medical (CAWEM) program is driven by the caseload forecast. The caseload forecast used for the 2017-2019 budget is especially risky because of data issues associated with transitioning to a new eligibility system while catching up on redetermining eligibility during the transition.

Revenue sources and proposed revenue changes. For Lottery Funds, Other Funds, and Federal Funds revenues

The Medicaid budget has two primary Federal Fund revenue sources: Medicaid and the Children's Health Insurance Program (CHIP). The Medicaid match rate used for the 2015-2017 biennial budget is approximately 64 percent for most services. (The rate generally is 50 percent for Medicaid staffing and administrative expenditures, but the agency is able to claim 75 percent on administrative activities directly related to eligibility determinations and enrollment.) The CHIP match rate changed significantly during the 2015-2017 biennium. The CHIP match rate for the first quarter of the biennium was approximately 74

percent. Effective October 1, 2015, the Affordable Care Act (ACA) increases the CHIP match rate by 23 percentage points to about 97 percent federal funding. For 2017-2019, the CHIP rate is projected to remain at about 97 percent.

The hospital assessment provides a major portion of state funding for the Health System Division – Medicaid budget. During the 2015 regular session, the Legislature extended the hospital assessment four more years with the passage of House Bill 2395. The assessment expires September 30, 2019.

The major unknown with the Health Systems Division – Medicaid 2017-2019 budget is whether and to what extent the federal government will continue to provide additional investment in Oregon's health care system transformation with the extension of the OHP demonstration. The Agency Request Budget assumes the federal investment (currently under the Designated Health Programs provision of the demonstration) does not continue into the 2017-2019 budget.

Proposed new laws that apply to the program unit

HSD is proposing to make mental health drugs subject to the preferred drug list and remove the carve-out of mental health drugs from the coordinated care organizations' contract and capitation rates, allowing coordinated care organizations to better coordinate integrated care.

OREGON HEALTH AUTHORITY: HEALTH SYSTEMS DIVISION

Program Unit Narrative: Non-Medicaid

Expenditures by fund type, positions and full-time equivalents:

	General	Other/Lottery	Federal	Total Fund	Pos.	FTE
Leg. Approved 15-17	$ 315.3	$ 188.1	$ 174.1	$ 677.5	0	0.0
Agency Request 17-19	$ 335.0	$ 85.0	$ 48.0	$ 468.0	0	0.0
Difference	$ 19.7	$ (103.1)	$ (126.1)	$ (209.5)	0	0.0
Percent Change	6%	-121%	-263%	-45%	$ -	$ -

The Agency Request Budget continues funding for the Non-Medicaid Mental Health, Intervention and Prevention Services programs at the current service level for 2017-2019. The Substance Use Disorder Prevention services formerly overseen by Health Systems Division have been transferred to the Public Health Division.

Activities, program and issues in the program unit base budget that may require further explanation than allowed in the Program Unit Executive Summary

It is widely understood that people with mental health and co-occurring substance use disorders die an average of 25 years earlier than their counterparts and experience other associated health risks and social consequences. These include infectious diseases, obesity, liver diseases, criminal involvement and lost productivity. In addition, people with untreated mental health and substance use disorders, particularly people from underserved communities, experience poor health and societal outcomes that create economic costs throughout state and local systems.

In partnership with legislators, other state agencies, and a broad set of diverse community stakeholders, OHA conducted large-scale qualitative and quantitative analyses in preparation for the 2017 legislative session. The Behavioral Health Mapping Tool, in

combination with the Behavioral Health Town Hall report and other associated special studies, formed the foundation of knowledge to help inform policy and funding discussions during 2017.

Oregon communities experienced a number of high-profile stressful and psychologically traumatic events in the past 18-24 months. Most notably, the mass shooting incident at Umpqua Community College and the armed militia occupation in Harney County. Unfortunately, many communities also experienced the loss of life due to suicide. Oregon's behavioral health system was able to respond to community needs due to the Non-Medicaid funding supporting this infrastructure.

- Community Health Alliance (CHA), the Community Mental Health Program (CMHP) in Douglas County, served as the hub of crisis response operations, a function essential to bringing a sense of calm and order to a community working with other first responders from state, federal and local entities. HSD deployed three staff members to help respond to the behavioral health needs at Umpqua Community College and the broader community after the tragedy. Staff spent between three and 12 weeks on the ground as part of the coordination and response effort.
- Harney County, through agreement with Symmetry Care, provided for the escalated mental health needs in the community through collaboration, enhanced case management and outreach to many partners and stakeholders. OHA and HSD deployed staff to assess and respond to the behavioral health needs in this community.
- The Burns Paiute Tribe worked to meet the emotional support needs in that tribal community through traditions and healing ceremonies after the disturbance of sacred cultural artifacts at the Malheur Wildlife Sanctuary. HSD coordinated closely with the tribe to evaluate the immediate behavioral health support needs and responded with additional resources after a plan was developed and approved.
- Clatsop Behavioral Health (CBH) partnered with school leaders to direct an effort to reduce concerns about suicide risk among multiple middle school students. At the request of CBH, Greater Oregon Behavioral Health, Inc. (GOBHI) and OHA mobilized to provide school staff education, youth awareness, a parent meeting, onsite youth peer support, and family support services. Family support services continue to assist CBH providers in engaging families of high-risk youth and to train local parents to become long-term family support specialists for the community.

Efforts worth noting that are supported by Non-Medicaid funding administered by HSD include:

Community mental health programs

Mental health services improve the daily lives for Oregonians of all ages with severe mental health disorders such as bipolar, major depression, post-traumatic stress and schizophrenia. Persons experiencing a mental health crisis receive brief treatment consisting of medication, counseling and, if necessary, temporary respite housing or local hospitalization. Mental health assessments determine the need for further treatment and whether other supportive services will be provided. These ongoing supports and services improve a person's ability to be successful with their family, education, employment and in their community. This often reduces public safety problems and negative health-related consequences.

Children with mental health issues are served in their local communities and are linked with other child and family serving systems. Each child can be screened and served within the integrated service array for their mental health service and support needs. Services are child- and family-driven and team-based with a clear focus on providing a broad array of services and supports across a coordinated continuum of types and intensity of care.

Services and supports include those delivered by peers, such as help establishing personal relationships, obtaining employment or education; independent living skills training such as cooking, recreation and cultural activities, shopping and money management; residential treatment services or adult foster care; and supervision of people who live in the community under the jurisdiction of the Psychiatric Security Review Board (PSRB). Services are provided in many settings including local mental health clinics, doctor offices and clinics, schools, drop-in centers and homes. The Oregon Health Plan covers mental health services for eligible persons with conditions funded under the Health Evidence Review Commission Prioritized List for all Medicaid and SCHIP clients. The state General Fund pays for services and individuals not covered by OHP.

Highlights

System of Care and Wrap-Around Initiative: HSD contracts with Portland State University and Oregon Family Support Network to provide technical support in the ongoing development of the state, county and local infrastructure needed to provide intensive care coordination for children, youth and young adults with emotional and behavioral disorders being served across multiple systems. In 2017, wrap around services will be available in all counties with governance structures in place to ensure adequate support for providers and consumers in effective implementation of wrap around services.

Parent Child Interactive Therapy (PCIT): This funding covers the cost of infrastructure needed to implement this evidence-based practice, co-located in childhood settings. A total of 783 parent-child pairs received PCIT in 2015. In Quarter 4 of 2015, families completed an average of 12 sessions, and 79 percent showed improvement. Of those who completed treatment, 83 percent had behaviors within normal range at the end of treatment.

Oregon Psychiatric Access Line about Kids (OPAL-K): OPAL-K makes psychiatric consultation for children up to age 18 available to primary care providers. This consultation service increases the primary care provider's ability to manage complex cases, improves effective use of medications, and facilitates connections with additional mental health treatment when necessary. OPAL-K also will provide for tele-psychiatry appointments for children who are in the foster care system and have been prescribed complex psychiatric medications. This will greatly improve access to timely psychiatric services and oversight for this vulnerable population. In June of 2016, OPAL-K has reached 1,000 calls since its startup date.

Aid and Assist and Jail Diversion: The 2015 session authorized funding for counties with the greatest number of "Aid and Assisst" referrals to Oregon State Hospital. The funds allow the counties to provide the evaluations and restoration services in the communities rather than at the state hospital. Jail diversion funding is available throughout Oregon to provide resources to divert people with mental illness from incarceration and into treatment services and supports.

Crisis Services: This funding supports services for persons with mental illness in crisis. It provides a range of interventions including transportation, assessment, de-escalation, and referral to treatment. Crisis services in the community reduce the need for a higher level of care and can reduce negative impacts of a crisis in order to reduce the time a higher level service is needed.

Rental assistance and supportive housing

Rental assistance for people with serious mental illness:

The rental assistance program supports individuals with a serious mental illness to secure affordable rental housing so they can live independently. Eligible individuals receive move-in assistance funds and monthly rent subsidies. Each program employs a residential housing specialist and a peer support specialist to assist participants in becoming rent-ready, locating, making application, securing and maintaining a rental unit. These supportive services are available but are not required.

As of February 2016, 21 rental assistance programs were in operation offering 972 housing units across all counties. Beginning in October 2016 an additional seven rental assistance programs for veterans and young adults will begin operation offering an additional 152 housing units. This latest addition bring the total to 1,124 housing slots of affordable housing throughout the state, for a total investment of over $20 million per biennium.

Rental assistance for people with substance use disorders:
This rental assistance program supplies housing coordination and rental assistance so individuals in recovery from a substance use disorder can live independently. Housing coordination services include helping individuals locate and access alcohol- and drug-free housing, case management services and referrals to other services. Rental assistance helps individuals cover a portion of their monthly rent for up to two years. As of March 2016, 11 programs throughout Oregon serve 750 individuals with housing coordination services and 315 with rental assistance, for a total investment of $1.9 million per biennium.

Supported Housing Development:
HSD funds the development of new supported housing units for individuals with a serious mental illness or substance use disorder, using state General Fund dollars and the Community Mental Health Housing Trust Fund. This biennium HSD awarded $643,616 for the development of eight units in three projects for individuals with a serious mental illness and $800,000 for the development of 18 units in four projects for individuals with a substance use disorder.

Substance use disorder services
Substance use disorders are complex problems that affect people from all ethnic groups and walks of life. Dependence on alcohol or drugs is a chronic, progressive illness like asthma, hypertension or diabetes. Addiction contributes directly to other diseases and chronic conditions. Heavy drinking, for example, contributes to illness in each of the top three causes of death: heart disease, cancer and stroke. Each year, nearly 1,230 Oregonians die as a result of diseases caused by alcohol and drug use.[1] Hundreds more die from alcohol- and drug-related accidents and injuries, suicides and overdoses. Addiction complicates chronic illnesses and is strongly correlated with difficulty in treating other diseases and illnesses.

[1] Oregon Vital Statistics Annual Report for 2012, Volume 2, Table 6-17

Substance use disorder treatment and recovery services help people develop the lifelong skills and abilities needed to manage these chronic health conditions. Effective substance use treatment results in decreased criminal activity and recidivism for individuals completing treatment.

Non-Medicaid funded services and supports fill gaps in the service continuum for individuals who are not eligible for OHP and those who have no resources to pay for clinical supports. The purpose of this full continuum of care is to build upon resilience, help individuals make healthier lifestyle choices and promote recovery from substance use disorders. Services include outreach (case finding), early identification and screening, assessment and diagnosis, initiation and engagement, therapeutic interventions, continuity of care, recovery management, and interim services, which are delivered in outpatient, residential, and community settings. These are evidence-based, culturally specific, or promising practices that are individualized to help people achieve and maintain recovery. Outpatient services include specialized programs that use synthetic medications such as methadone, buprenorphine, and injectable Vivitrol as an alternative to chronic heroin and prescription opioid addiction. Education and treatment are available for people convicted of driving under the influence of intoxicants (DUII).

The 2015 Legislature made additional investments in addiction services supporting increased infrastructure for peer-delivered services, sobering facilities, and rate increases for both Medicaid and non-Medicaid funded residential treatment.

Problem gambling services

Gambling disorder is a public health problem that affects relationships, families, businesses and communities. Gamblers suffer from a variety of financial hardships and associated physical and emotional problems. Depression and other mental health concerns also are prevalent among problem gamblers. National studies show that problem gamblers have a higher rate of suicide than those with any other addictive disorder. It is important to know the risks involved with gambling, because anyone who gambles can develop a problem.

Problem gambling treatment and prevention programs are delivered in all 36 counties through CMHPs and by for-profit and non-profit providers. The state also has one residential treatment program. They employ evidence-based prevention strategies to decrease the probability that young people will begin gambling at young ages and to ensure that adults of all ages will be aware of the addictive nature of gambling. They also help people make smarter life choices and reduce risk factors associated with gambling. Treatment programs include outpatient individual and group therapies, intensive therapies, and statewide access to residential

treatment for those who are at risk because of pathological gambling. Problem gambling treatment services consistently show effective and cost-effective, outcomes.

Any additional important background for decision makers that is not mentioned above. Include trends in caseload, workload or other external factors that may influence the operation of the program

Prevalence of suicide

Suicide intervention and prevention: In response to SB 4124, a five-year plan was created with the input of more than 100 diverse stakeholders across Oregon. Implementation is scheduled to begin in 2016 and will continue until 2020. There are currently no funds designated to implement this mandatory plan. Oregon continues to see an alarming and unprecedented increase in suicide rates for young people aged 10 to 24. Preliminary results indicate that in 2015 there were again at least 12 youth suicides per 100,000 in Oregon.

Opioid misuse, abuse and addiction

Results from the 2013-2014 National Survey on Drug Use Health (NSDUH) rank Oregon in fourth place among all states in non-medical use of prescription pain relievers by individuals over age 12. Multnomah County, Oregon's largest metropolitan area, had the fourth highest rate of nonmedical prescription pain reliever use (7.52 percent) among all 383 regions. OHA estimates that the rate of nonmedical use is twice as high (15 percent) when measuring only persons ages 18-25. In 2013, 3.6 million prescriptions for opioid painkillers were dispensed in Oregon, enough for 925 opioid prescriptions for every 1,000 residents. A significant risk of prescription opioid misuse is escalation to heroin. Poorly controlled opioid prescribing is a key driver of opioid deaths and hospitalizations. The need for opiate addiction treatment continues to grow. Diagnosis of opioid use disorder among Oregonians has increased more than 400 percent since 2005.

Aid and Assist

When people who are accused of a crime are unable to assist in their own defense due to a mental disease or defect, the court may issue an order under Oregon Revised Statutes (ORS) 161.370 for restoration services – that is, to restore the individual to a condition in which they can assist in their defense. These are also known as "Aid and Assist" or "370" services. Restoration

services can be provided in the community or at OSH depending several factors: the person's mental health acuity, public safety risk factors, time available for services to be rendered, and availability of services and supports in the community. The OSH aid and assist census was significantly over budgeted capacity and steadily climbing, which was a significant burden to General Fund dollars. The budgeted number of beds is 184, and the maximum aid and assist census was 228 in March 2016. Due to increased funds from the Legislature during the 2015-2017 biennium, more resources are available for community restoration services. Increased resources in the community along with outreach and coordination via a new position from OHA, have contributed to a drop in OSH aid and assist census (194 as of June 2016). HSD will continue working with its community partners to address this significant cost driver.

One way for HSD to improve this and other metrics in partnership with its provider community is to implement new data systems. These systems will make data available in a more timely manner and allow a better understanding of how to improve the quality of services. Behavioral Health Mapping is a critical piece of this work.

Revenue sources and proposed revenue changes. For Lottery Funds, Other Funds, and Federal Funds revenues

State General Fund: Legislative appropriation for treatment services.

Other Funds:

- Beer and wine – statutorily dedicated by ORS 430.345 to 430.380, requires local maintenance of effort and local expenditure of dedicated taxes for state-approved services
- Intoxicated Driver Program Fund – statutorily dedicated by ORS 813.270, does not require any matching or maintenance of effort
- Miscellaneous – contract settlements, state match from Multnomah County/DePaul and the Oregon Youth Authority, and sponsored travel reimbursements
- Community Housing Trust Funds – this trust fund was established with the sale of the Dammasch hospital property (ORS 413.101). Interest from the fund is dedicated for new housing and facility maintenance to benefit people with mental illness.

Tobacco Tax: During the 2013 Special Session the Legislature approved a 13 percent tobacco tax, a portion of which is dedicated to community mental health services.

Tobacco Master Settlement Agreement funds have been used in Oregon over the past several years to cover costs of health care, including those associated with tobacco-related illnesses. In the 2015-2017 budget build, a portion of these funds was also earmarked for non-Medicaid expenditures, in lieu of General Funds. There has been a recent decline in these revenues, which are paying back a Master Settlement Agreement. It is expected that as these funds continue to decline, there will be additional reductions to programs or alternative sources of revenues needed to continue to support programs.

Marijuana revenue: In the 2015-2017 budget build, almost $2 million was estimated by Department of Administrative Services, as OHA's portion of the recreational marijuana fee-based charges. This funding was set to assist with addiction and recovery services. However, when these revenues were estimated, all of the administrative rules and other technicalities were not yet in place. Now that we are part way into the 2015-2017 biennium, the Department of Revenue has a better idea of what mechanisms need to be in place to allocate this funding at the beginning of the 2017-2019 biennium.

Federal Funds:

- Substance Abuse Prevention Treatment grant (SAPT) requirements are: 20 percent of the grant must be spent on prevention (transferred to the Public Health Division) and service levels must be maintained for specified populations such as women and women with children. The one qualifying factor for this grant is that the state must expend a minimum of state and local revenues on SAPT-related services to meet the maintenance-of-effort requirement.
- Access to Recovery grant (ATR), which expires September 29, 2018, includes several unique requirements: nontraditional client-driven services and supports, administration of a voucher system for clients to purchase services, and free and independent choice in the selection of recovery and treatment services, including faith-based options. This grant does not require any matching or maintenance of effort.
- Temporary Assistance for Needy Families grant (TANF) requires maintenance of effort. Medicaid (Title XIX) has a matching requirement. Center for Mental Health Services block grant (CMHS) – at least 35 percent of each grant's service funding must be expended for mental health services for children. The grant has a maintenance of effort (MOE) requirement. PATH – Projects for Assistance in Transition from Homelessness.

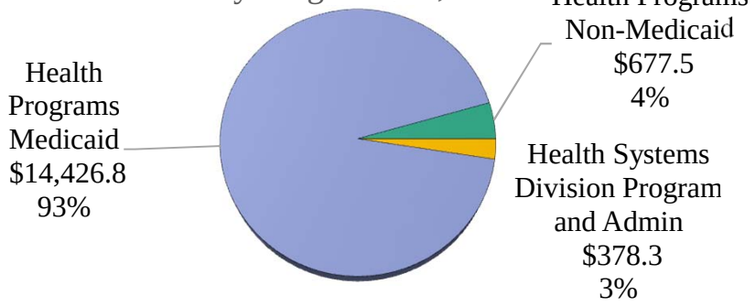
Lottery Funds: Oregon Revised Statute (ORS) 461.549, dedicates 1 percent of Lottery revenue for prevention and treatment of problem gambling and does not require any matching or maintenance of effort. In spite of this, these funds are frequently reduced in times of economic decline.

A&D 66 Intoxicated Driver Prevention Fund (IDPF) and Driving Under the Influence of Intoxicants (DUII) funds provide funding to counties for intoxicated driver services, as well as contracting with Guardian Interlock to provide breathalyzer machines for IDPF clients.

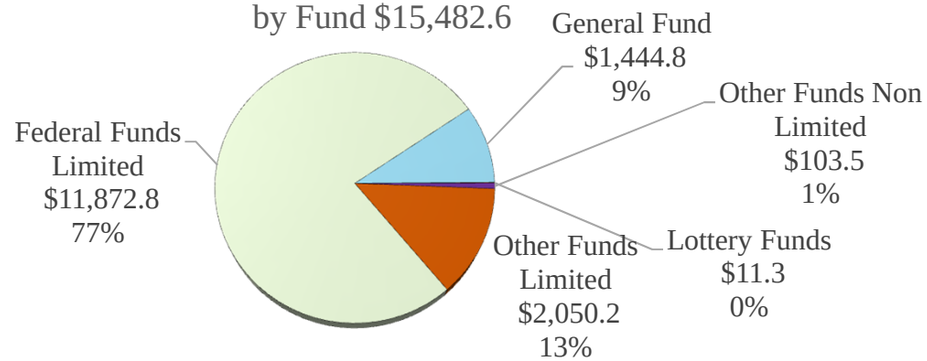
Proposed new laws that apply to the program unit

HSD is proposing to remove the clause that allows youth to be placed in the state's Secure Adolescent Inpatient Program (SAIP) solely for a fitness to proceed evaluation. This change would allow youth to receive services to improve their mental health and fitness to proceed in the least restrictive setting. This change would provide better care as services will more often be provided in the youth's own community and improve mental health outcomes by using the natural continuity of care system aligned with the youth's mental health needs.

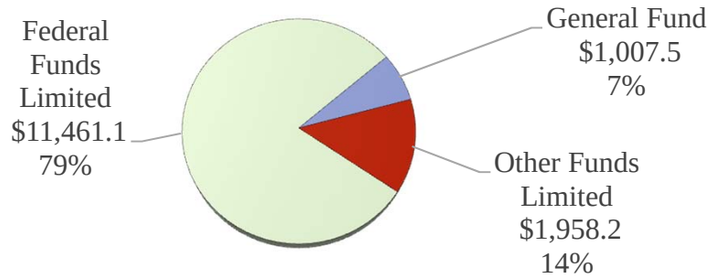
Oregon Health Authority
2015-17 Legislatively Approved Budget
Health Systems Division
by Program $15,482.6



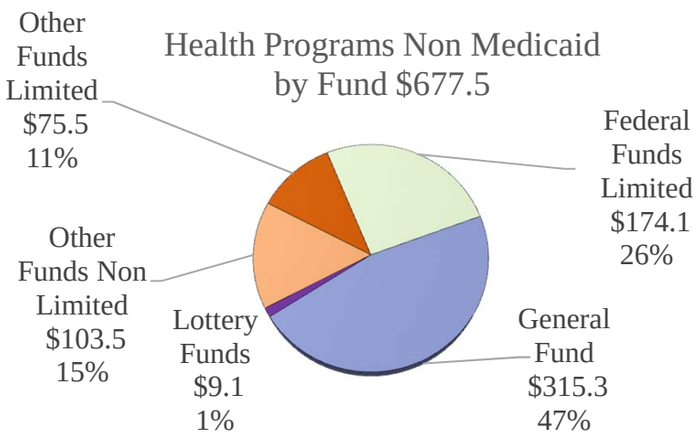
Oregon Health Authority
2015-17 Legislatively Approved Budget
Systems Division
by Fund $15,482.6



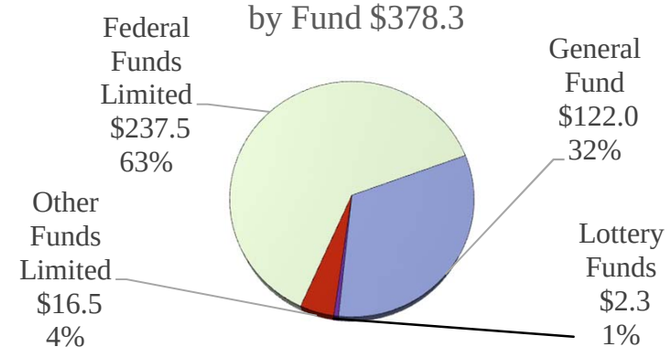
Health Programs Medicaid
by Fund $14,426.8

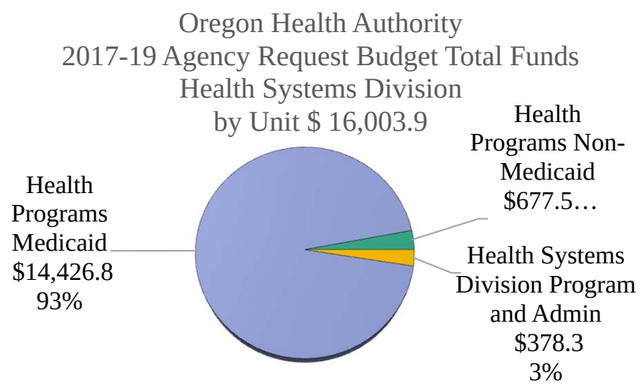


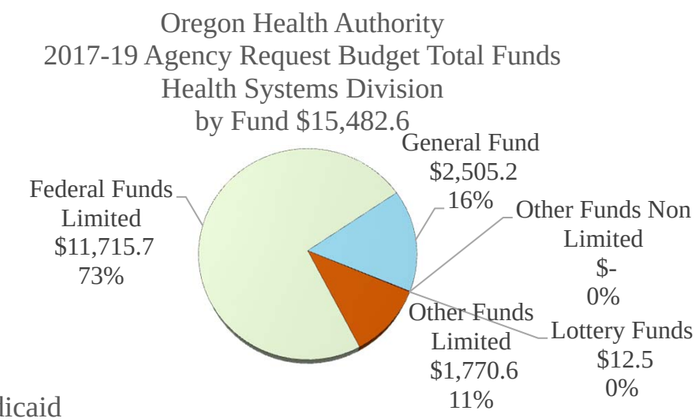
Health Programs Non Medicaid
by Fund $677.5

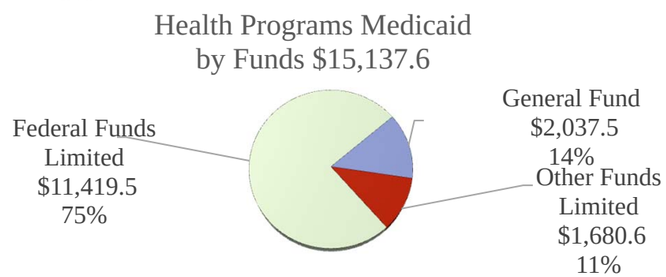


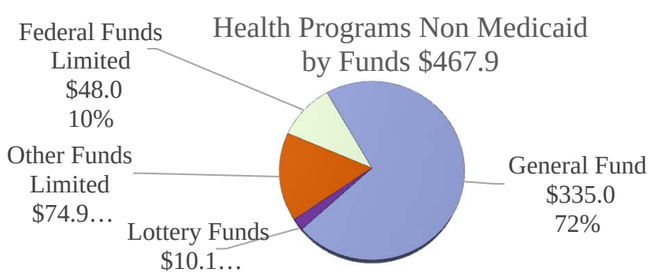
Health Systems Program and Admin
by Fund $378.3

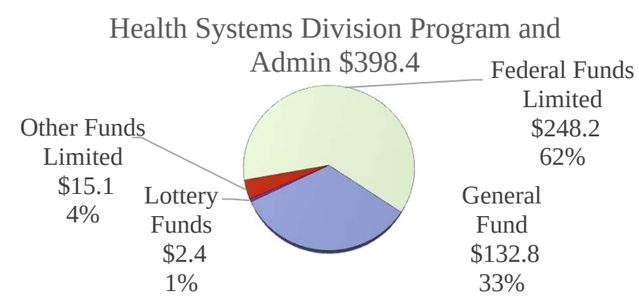



Oregon Health Authority
2017-19 Agency Request Budget Total Funds
Health Systems Division
by Unit $ 16,003.9
Health Programs Medicaid $14,426.8 93%
Health Programs Non-Medicaid $677.5…
Health Systems Division Program and Admin $378.3 3%


Oregon Health Authority
2017-19 Agency Request Budget Total Funds
Health Systems Division
by Fund $15,482.6
Federal Funds Limited $11,715.7 73%
General Fund $2,505.2 16%
Other Funds Non Limited $- 0%
Other Funds Limited $1,770.6 11%
Lottery Funds $12.5 0%


Health Programs Medicaid
by Funds $15,137.6
Federal Funds Limited $11,419.5 75%
General Fund $2,037.5 14%
Other Funds Limited $1,680.6 11%


Health Programs Non Medicaid
by Funds $467.9
Federal Funds Limited $48.0 10%
Other Funds Limited $74.9…
Lottery Funds $10.1…
General Fund $335.0 72%


Health Systems Division Program and
Admin $398.4
Federal Funds Limited $248.2 62%
Other Funds Limited $15.1 4%
Lottery Funds $2.4 1%
General Fund $132.8 33%

Oregon Health Authority Health Systems Division - Medicaid 44300-030-01-02-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
GENERAL FUND					
REVENUES					
General Fund Appropriation	0050	GF	922,709,166	1,007,462,134	2,037,454,650
TOTAL REVENUES		**GF**	**922,709,166**	**1,007,462,134**	**2,037,454,650**
TOTAL GENERAL FUNDS		**GF**	**922,709,166**	**1,007,462,134**	**2,037,454,650**
OTHER FUNDS					
REVENUES					
Beginning Balance	0025	OF	55,760,481	-	-
Beginning Balance Adjustment	0030	OF	-	145,000,000	
Other Selective Taxes	0190	OF	940,340,050	947,758,140	973,916,841
Charges for Services	0410	OF	738,006	-	-
Interest Income	0605	OF	1,058,609	-	-
Other Revenues	0975	OF	50,077,607	451,624,528	323,652,144
Loan Proceeds	0980	OF	50,000,000	-	-
TOTAL REVENUES		**OF**	**1,097,974,753**	**1,544,382,668**	**1,297,568,985**
TRANSFER IN					
Transfer in Intrafund	1010	OF	102,239,415	-	-
Transfer in Other	1050	OF	-	11,806,296	11,806,296
Transfer in Administrative Services	1107	OF	120,100,000	101,760,000	80,479,400
Transfer in Revenue Department	1150	OF	369,411,358	299,971,704	290,509,000

Oregon Health Authority Health Systems Division - Medicaid 44300-030-01-02-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
Transfer from Oregon Youth Authority	1415	OF	732,723	232,038	240,623
Transfer in Consumer Business Services	1440	OF	15,341,917	-	-
Tsfr From Oregon Health Authority	1443	OF	149,450,578	-	-
TOTAL TRANSFERS IN		**OF**	**757,275,991**	**413,770,038**	**383,035,319**
TRANSFER OUT Transfer to Intrafund	2010	OF	(4,000,000)	-	-
TOTAL TRANSFERS OUT			**(4,000,000)**	**-**	**-**
TOTAL OTHER FUNDS		**OF**	**1,851,250,744**	**1,958,152,706**	**1,680,604,304**
FEDERAL FUNDS REVENUES					
Federal Funds Revenue	0995	FF	8,396,955,602	11,461,147,442	11,419,502,246
TOTAL REVENUES			**8,396,955,602**	**11,461,147,442**	**11,419,502,246**
TOTAL FEDERAL FUNDS		**FF**	**8,396,955,602**	**11,461,147,442**	**11,419,502,246**
TOTAL AVAILABLE REVENUES		**TF**	**11,170,915,512**	**14,426,762,282**	**15,137,561,200**

Oregon Health Authority Health Systems Division - Non-Medicaid 44300-030-01-03-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
GENERAL FUND					
REVENUES					
General Fund Appropriation	0050	GF	283,973,776	315,309,157	334,964,435
TOTAL REVENUES		**GF**	**283,973,776**	**315,309,157**	**334,964,435**
TOTAL GENERAL FUNDS		**GF**	**283,973,776**	**315,309,157**	**334,964,435**
LOTTERY FUNDS					
TRANSFERS IN / OUT					
Transfers from Administrative Services	1107	LF	-	9,085,630	10,106,595
TOTAL TRANSFERS IN / OUT		**LF**	**-**	**9,085,630**	**10,106,595**
TOTAL LOTTERY FUNDS		**LF**	**-**	**9,085,630**	**10,106,595**
OTHER FUNDS					
REVENUES					
Beginning Balance	0025	OF	975,322	-	-
Beginning Balance Adjustment	0030	OF	-	1,860,682	-
Other Selective Taxes	0190	OF	9,225,657	-	-
Administrative Service Charges	0415	OF	19,263,644	-	-
Interest Income	0605	OF	598,028	15,360	15,360
Loan Repayment	0925	OF	554,718	-	-
Insurance Premiums	0965	OF	74,865,569	-	-
Other Revenues	0975	OF	1,043,134	107,700,066	948,457
TOTAL REVENUES		**OF**	**106,526,072**	**109,576,108**	**963,817**

Oregon Health Authority Health Systems Division - Non-Medicaid 44300-030-01-03-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
TRANSFER IN					
Transfer in Intrafund	1010	OF	16,069,973	-	-
Transfer in Administrative Services	1107	OF	-	16,000,000	16,000,000
Transfer in Revenue Department	1150	OF	5,664,097	42,637,025	46,429,214
Transfer in Liquor Control Commission	1845	OF	17,345,471	17,996,500	18,697,500
TOTAL TRANSFERS IN		**OF**	**39,079,541**	**76,633,525**	**81,126,714**
TRANSFER OUT					
Transfer to Intrafund	2010	OF	(62,430,147)	-	-
Transfer to Counties	2080	OF	(6,938,188)	(7,198,600)	(7,198,600)
TOTAL TRANSFERS OUT		**OF**	**(69,368,335)**	**(7,198,600)**	**(7,198,600)**
TOTAL OTHER FUNDS		**OF**	**76,237,278**	**179,011,033**	**74,891,931**
FEDERAL FUNDS REVENUES					
Federal Funds Revenue	0995	FF	279,083,431	174,129,854	47,975,757
TOTAL REVENUES		**FF**	**279,083,431**	**174,129,854**	**47,975,757**
TOTAL FEDERAL FUNDS		**FF**	**279,083,431**	**174,129,854**	**47,975,757**
TOTAL AVAILABLE REVENUES		**TF**	**639,294,485**	**677,535,674**	**467,938,718**

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Health Authority — **Agency Number: 44300**
2017-19 Biennium — **Cross Reference Number: 44300-030-01-00-00000**

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Lottery Funds						
Tsfr From Administrative Svcs	10,592,542	-	11,348,753	12,456,604	-	-
Total Lottery Funds	**$10,592,542**	**-**	**$11,348,753**	**$12,456,604**	**-**	**-**
Other Funds						
Other Selective Taxes	946,787,950	-	947,758,140	973,916,841	-	-
Business Lic and Fees	32,540	-	-	-	-	-
Non-business Lic. and Fees	31	-	-	-	-	-
Charges for Services	738,006	-	-	-	-	-
Admin and Service Charges	464,353	-	-	-	-	-
Interest Income	1,662,448	-	15,360	15,360	-	-
Grants (Non-Fed)	-	-	154,918	-	-	-
Loan Repayments	554,718	-	-	-	-	-
Insurance Premiums	478,270	-	-	-	-	-
Other Revenues	59,717,445	-	465,754,574	333,201,932	-	-
Loan Proceeds	50,000,000	-	-	-	-	-
Transfer In - Intrafund	118,468,930	-	-	-	-	-
Transfer In Other	-	-	11,806,296	11,806,296	-	-
Tsfr From Administrative Svcs	120,100,000	-	117,760,000	96,479,400	-	-
Tsfr From Revenue, Dept of	375,077,242	-	344,934,145	340,516,514	-	-
Tsfr From Police, Dept of State	145,621	-	-	-	-	-
Tsfr From Or Youth Authority	732,723	-	232,038	240,623	-	-
Tsfr From Consumer/Bus Svcs	15,341,917	-	-	-	-	-
Tsfr From Oregon Health Authority	149,452,378	-	-	-	-	-
Tsfr From Education, Dept of	889,407	-	1,322,340	1,273,413	-	-
Tsfr From Health Rel Lic Bds	8,950	-	-	-	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Health Authority | **Agency Number: 44300**
2017-19 Biennium | **Cross Reference Number: 44300-030-01-00-00000**

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Other Funds						
Tsfr From Board of Dentistry	204,900	-	185,128	-	-	-
Tsfr From Or Liquor Cntrl Comm	17,345,471	-	17,996,500	18,697,500	-	-
Tsfr From Oregon Medical Board	817,774	-	791,149	-	-	-
Tsfr From Nursing, Bd of	1,457,496	-	1,643,453	1,643,453	-	-
Tsfr From Board of Pharmacy	137,332	-	176,899	-	-	-
Transfer Out - Intrafund	(7,632,898)	-	-	-	-	-
Transfer to Counties	(6,938,188)	-	(7,198,600)	(7,198,600)	-	-
Total Other Funds	**$1,846,044,816**	**-**	**$1,903,332,340**	**$1,770,592,732**	**-**	**-**
Federal Funds						
Federal Funds	8,839,117,266	-	11,872,819,060	11,715,700,156	-	-
Total Federal Funds	**$8,839,117,266**	**-**	**$11,872,819,060**	**$11,715,700,156**	**-**	**-**
Nonlimited Other Funds						
Admin and Service Charges	19,122,806	-	-	-	-	-
Insurance Premiums	74,387,590	-	-	-	-	-
Other Revenues	161,651	-	103,500,000	-	-	-
Transfer Out - Intrafund	(58,797,249)	-	-	-	-	-
Total Nonlimited Other Funds	**$34,874,798**	**-**	**$103,500,000**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Beginning Balance							
Beginning Balance	-	-	-	-	-	-	-
Total Beginning Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Revenues							
General Fund Appropriation	(92,192)	-	-	-	-	-	(92,192)
Other Revenues	-	-	(56,338)	-	-	-	(56,338)
Federal Funds	-	-	-	299,907	-	-	299,907
Tsfr From Administrative Svcs	-	4,725	-	-	-	-	4,725
Tsfr From Revenue, Dept of	-	-	-	-	-	-	-
Total Revenues	**($92,192)**	**$4,725**	**($56,338)**	**$299,907**	**-**	**-**	**$156,102**
Personal Services							
Temporary Appointments	15,554	137	2,076	50,429	-	-	68,196
Overtime Payments	9,584	-	-	23,829	-	-	33,413
Shift Differential	626	-	2	980	-	-	1,608
All Other Differential	38,722	-	3,302	228,510	-	-	270,534
Public Employees' Retire Cont	9,341	-	631	48,359	-	-	58,331
Pension Obligation Bond	(116,098)	2,567	(76,896)	200,185	-	-	9,758
Social Security Taxes	4,933	10	412	23,237	-	-	28,592
Unemployment Assessments	-	-	-	-	-	-	-
Mass Transit Tax	218,420	4,672	6,646	-	-	-	229,738
Vacancy Savings	(273,274)	(2,661)	7,489	(275,622)	-	-	(544,068)
Total Personal Services	**($92,192)**	**$4,725**	**($56,338)**	**$299,907**	**-**	**-**	**$156,102**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: Health Systems Division**

Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor | **Cross Reference Number: 44300-030-01-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Special Payments							
Dist to Counties	-	-	-	-	-	-	-
Dist to Individuals	-	-	-	-	-	-	-
Other Special Payments	-	-	-	-	-	-	-
Total Special Payments	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Expenditures							
Total Expenditures	(92,192)	4,725	(56,338)	299,907	-	-	156,102
Total Expenditures	**($92,192)**	**$4,725**	**($56,338)**	**$299,907**	**-**	**-**	**$156,102**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 021 - Phase - In

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	23,864,073	-	-	-	-	-	23,864,073
Federal Funds	-	-	-	1,720,895	-	-	1,720,895
Tsfr From Administrative Svcs	-	684,798	-	-	-	-	684,798
Tsfr From Revenue, Dept of	-	-	2,816,907	-	-	-	2,816,907
Total Revenues	**$23,864,073**	**$684,798**	**$2,816,907**	**$1,720,895**	**-**	**-**	**$29,086,673**
Personal Services							
Class/Unclass Sal. and Per Diem	5,795,850	-	-	9,394,110	-	-	15,189,960
Empl. Rel. Bd. Assessments	3,850	-	-	6,866	-	-	10,716
Public Employees' Retire Cont	799,580	-	-	1,270,595	-	-	2,070,175
Social Security Taxes	443,326	-	-	718,702	-	-	1,162,028
Worker's Comp. Assess. (WCD)	4,675	-	-	8,297	-	-	12,972
Flexible Benefits	2,291,850	-	-	3,975,318	-	-	6,267,168
Total Personal Services	**$9,339,131**	**-**	**-**	**$15,373,888**	**-**	**-**	**$24,713,019**
Services & Supplies							
Instate Travel	198,444	-	-	343,252	-	-	541,696
Employee Training	54,572	-	-	94,446	-	-	149,018
Office Expenses	377,407	-	-	653,114	-	-	1,030,521
Telecommunications	159,669	-	-	276,284	-	-	435,953
IT Professional Services	641,879	-	-	(33,506,115)	-	-	(32,864,236)
Agency Program Related S and S	4,258	-	-	-	-	-	4,258

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 021 - Phase - In

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Other Services and Supplies	34,365	-	-	59,336	-	-	93,701
Total Services & Supplies	**$1,470,594**	**-**	**-**	**($32,079,683)**	**-**	**-**	**($30,609,089)**
Special Payments							
Dist to Counties	2,128,414	625,204	1,252,265	-	-	-	4,005,883
Dist to Other Gov Unit	-	11,916	-	-	-	-	11,916
Dist to Individuals	9,579,179	-	1,482,949	16,392,198	-	-	27,454,326
Other Special Payments	1,346,755	47,678	81,693	2,034,492	-	-	3,510,618
Total Special Payments	**$13,054,348**	**$684,798**	**$2,816,907**	**$18,426,690**	**-**	**-**	**$34,982,743**
Total Expenditures							
Total Expenditures	23,864,073	684,798	2,816,907	1,720,895	-	-	29,086,673
Total Expenditures	**$23,864,073**	**$684,798**	**$2,816,907**	**$1,720,895**	**-**	**-**	**$29,086,673**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							188
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**188**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 021 - Phase - In

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total FTE							
Total FTE							188.00
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**188.00**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	13,065,516	-	-	-	-	-	13,065,516
Other Selective Taxes	-	-	(10,000,000)	-	-	-	(10,000,000)
Grants (Non-Fed)	-	-	(154,918)	-	-	-	(154,918)
Other Revenues	-	-	(1,058,279)	-	-	-	(1,058,279)
Federal Funds	-	-	-	(128,277,360)	-	-	(128,277,360)
Total Revenues	**$13,065,516**	**-**	**($11,213,197)**	**($128,277,360)**	**-**	**-**	**($126,425,041)**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	(5,760)	-	-	-	(5,760)
Temporary Appointments	-	-	(56,111)	-	-	-	(56,111)
Pension Obligation Bond	-	-	-	-	-	-	-
Social Security Taxes	-	-	(4,732)	-	-	-	(4,732)
Total Personal Services	**-**	**-**	**($66,603)**	**-**	**-**	**-**	**($66,603)**
Services & Supplies							
Instate Travel	(5,552)	-	-	-	-	-	(5,552)
Office Expenses	(15,298)	-	-	-	-	-	(15,298)
Telecommunications	(4,468)	-	-	-	-	-	(4,468)
Data Processing	(2,562)	-	-	-	-	-	(2,562)
Professional Services	(10,716,378)	-	-	-	-	-	(10,716,378)
Facilities Rental and Taxes	(25,848)	-	-	-	-	-	(25,848)
Agency Program Related S and S	-	-	(518,569)	-	-	-	(518,569)
Other Services and Supplies	-	-	(244,236)	-	-	-	(244,236)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: Health Systems Division**

Pkg: 022 - Phase-out Pgm & One-time Costs | **Cross Reference Number: 44300-030-01-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Expendable Prop 250 - 5000	(19,736)	-	-	-	-	-	(19,736)
Total Services & Supplies	**($10,789,842)**	**-**	**($762,805)**	**-**	**-**	**-**	**($11,552,647)**
Special Payments							
Dist to Counties	(108,308)	-	(287,381)	(42,566,799)	-	-	(42,962,488)
Dist to Other Gov Unit	(1,024,155)	-	(64,093)	(1,675,328)	-	-	(2,763,576)
Dist to Individuals	25,000,000	-	(10,000,000)	(50,337,052)	-	-	(35,337,052)
Other Special Payments	(12,179)	-	(32,315)	(33,698,181)	-	-	(33,742,675)
Total Special Payments	**$23,855,358**	**-**	**($10,383,789)**	**($128,277,360)**	**-**	**-**	**($114,805,791)**
Total Expenditures							
Total Expenditures	13,065,516	-	(11,213,197)	(128,277,360)	-	-	(126,425,041)
Total Expenditures	**$13,065,516**	**-**	**($11,213,197)**	**($128,277,360)**	**-**	**-**	**($126,425,041)**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	52,075,558	-	-	-	-	-	52,075,558
Other Selective Taxes	-	-	34,152,789	-	-	-	34,152,789
Other Revenues	-	-	26,072,773	-	-	-	26,072,773
Federal Funds	-	-	-	432,992,539	-	-	432,992,539
Tsfr From Administrative Svcs	-	380,543	3,219,137	-	-	-	3,599,680
Tsfr From Revenue, Dept of	-	-	11,975,188	-	-	-	11,975,188
Total Revenues	**$52,075,558**	**$380,543**	**$75,419,887**	**$432,992,539**	**-**	**-**	**$560,868,527**
Services & Supplies							
Instate Travel	61,807	1,464	8,350	59,817	-	-	131,438
Out of State Travel	6,835	177	1,873	4,534	-	-	13,419
Employee Training	5,950	970	2,191	8,530	-	-	17,641
Office Expenses	55,194	1,856	14,499	64,739	-	-	136,288
Telecommunications	18,275	421	5,282	19,978	-	-	43,956
Data Processing	11,907	1	11,986	34,659	-	-	58,553
Publicity and Publications	27,056	1,774	41	30,797	-	-	59,668
Professional Services	456,146	34,030	342,685	675,930	-	-	1,508,791
IT Professional Services	1,188,292	-	277	5,833,578	-	-	7,022,147
Attorney General	17,684	27	43,300	19,351	-	-	80,362
Dispute Resolution Services	-	-	-	-	-	-	-
Employee Recruitment and Develop	176	-	17	219	-	-	412
Dues and Subscriptions	2,801	48	1,038	1,429	-	-	5,316
Facilities Rental and Taxes	12,945	-	1,397	15,688	-	-	30,030
Fuels and Utilities	384	-	-	384	-	-	768
Facilities Maintenance	878	-	-	838	-	-	1,716

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Food and Kitchen Supplies	-	-	-	-	-	-	-
Medical Services and Supplies	-	-	-	-	-	-	-
Agency Program Related S and S	309,642	3,221	7,464	5,923	-	-	326,250
Intra-agency Charges	-	-	-	-	-	-	-
Other Services and Supplies	15,206	249	67,158	315,315	-	-	397,928
Expendable Prop 250 - 5000	5,422	52	779	8,554	-	-	14,807
IT Expendable Property	14,460	86	1,265	26,647	-	-	42,458
Total Services & Supplies	**$2,211,060**	**$44,376**	**$509,602**	**$7,126,910**	**-**	**-**	**$9,891,948**
Capital Outlay							
Technical Equipment	-	-	-	-	-	-	-
Data Processing Software	18,500	-	-	55,500	-	-	74,000
Total Capital Outlay	**$18,500**	**-**	**-**	**$55,500**	**-**	**-**	**$74,000**
Special Payments							
Dist to Counties	9,357,116	306,913	1,427,141	939,748	-	-	12,030,918
Dist to Other Gov Unit	182,782	5,849	22,760	41,965	-	-	253,356
Dist to Non-Gov Units	-	-	-	2,206	-	-	2,206
Dist to Individuals	39,371,332	-	73,270,096	424,442,319	-	-	537,083,747
Dist to Local School Districts	-	-	-	-	-	-	-
Other Special Payments	934,768	23,405	141,361	334,964	-	-	1,434,498
Spc Pmt to Oregon Health Authority	-	-	-	-	-	-	-
Spc Pmt to OR University System	-	-	-	-	-	-	-
Spc Pmt to Education, Dept of	-	-	48,927	48,927	-	-	97,854

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Special Payments							
Spc Pmt to Or Health & Science U	-	-	-	-	-	-	-
Spc Pmt to Housing and Com Svcs	-	-	-	-	-	-	-
Total Special Payments	**$49,845,998**	**$336,167**	**$74,910,285**	**$425,810,129**	**-**	**-**	**$550,902,579**
Total Expenditures							
Total Expenditures	52,075,558	380,543	75,419,887	432,992,539	-	-	560,868,527
Total Expenditures	**$52,075,558**	**$380,543**	**$75,419,887**	**$432,992,539**	**-**	**-**	**$560,868,527**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	5,386,507	-	-	-	-	-	5,386,507
Other Selective Taxes	-	-	3,692,193	-	-	-	3,692,193
Other Revenues	-	-	2,941,405	-	-	-	2,941,405
Federal Funds	-	-	-	46,027,999	-	-	46,027,999
Tsfr From Administrative Svcs	-	-	295,854	-	-	-	295,854
Tsfr From Revenue, Dept of	-	-	1,163,669	-	-	-	1,163,669
Total Revenues	**$5,386,507**	**-**	**$8,093,121**	**$46,027,999**	**-**	**-**	**$59,507,627**
Special Payments							
Dist to Counties	1,011,580	-	154,286	101,594	-	-	1,267,460
Dist to Other Gov Unit	19,760	-	2,461	4,537	-	-	26,758
Dist to Individuals	4,254,304	-	7,921,092	45,885,656	-	-	58,061,052
Other Special Payments	100,863	-	15,282	36,212	-	-	152,357
Total Special Payments	**$5,386,507**	**-**	**$8,093,121**	**$46,027,999**	**-**	**-**	**$59,507,627**
Total Expenditures							
Total Expenditures	5,386,507	-	8,093,121	46,027,999	-	-	59,507,627
Total Expenditures	**$5,386,507**	**-**	**$8,093,121**	**$46,027,999**	**-**	**-**	**$59,507,627**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 033 - Exceptional Inflation

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	29,199,722	-	-	-	-	-	29,199,722
Other Selective Taxes	-	-	26,029,963	-	-	-	26,029,963
Other Revenues	-	-	18,896,418	-	-	-	18,896,418
Federal Funds	-	-	-	323,447,671	-	-	323,447,671
Tsfr From Administrative Svcs	-	-	2,002,305	-	-	-	2,002,305
Tsfr From Revenue, Dept of	-	-	8,009,220	-	-	-	8,009,220
Tsfr From Or Liquor Cntrl Comm	-	-	138,925	-	-	-	138,925
Total Revenues	**$29,199,722**	**-**	**$55,076,831**	**$323,447,671**	**-**	**-**	**$407,724,224**
Special Payments							
Dist to Counties	44,082	-	72,654	127,246	-	-	243,982
Dist to Other Gov Unit	2,949	-	4,861	8,513	-	-	16,323
Dist to Individuals	29,131,700	-	54,964,719	323,251,318	-	-	407,347,737
Other Special Payments	20,991	-	34,597	60,594	-	-	116,182
Total Special Payments	**$29,199,722**	**-**	**$55,076,831**	**$323,447,671**	**-**	**-**	**$407,724,224**
Total Expenditures							
Total Expenditures	29,199,722	-	55,076,831	323,447,671	-	-	407,724,224
Total Expenditures	**$29,199,722**	**-**	**$55,076,831**	**$323,447,671**	**-**	**-**	**$407,724,224**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 040 - Mandated Caseload

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	5,862,235	-	-	-	-	-	5,862,235
Other Selective Taxes	-	-	(2,716,244)	-	-	-	(2,716,244)
Other Revenues	-	-	(1,828,241)	-	-	-	(1,828,241)
Federal Funds	-	-	-	(930,194,199)	-	-	(930,194,199)
Tsfr From Administrative Svcs	-	-	(208,942)	-	-	-	(208,942)
Tsfr From Revenue, Dept of	-	-	(835,767)	-	-	-	(835,767)
Total Revenues	**$5,862,235**	**-**	**($5,589,194)**	**($930,194,199)**	**-**	**-**	**($929,921,158)**
Special Payments							
Dist to Individuals	8,738,954	-	(5,589,194)	(930,194,199)	-	-	(927,044,439)
Other Special Payments	(2,876,719)	-	-	-	-	-	(2,876,719)
Total Special Payments	**$5,862,235**	**-**	**($5,589,194)**	**($930,194,199)**	**-**	**-**	**($929,921,158)**
Total Expenditures							
Total Expenditures	5,862,235	-	(5,589,194)	(930,194,199)	-	-	(929,921,158)
Total Expenditures	**$5,862,235**	**-**	**($5,589,194)**	**($930,194,199)**	**-**	**-**	**($929,921,158)**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 050 - Fundshifts

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	770,919,920	-	-	-	-	-	770,919,920
Other Selective Taxes	-	-	(25,000,000)	-	-	-	(25,000,000)
Other Revenues	-	-	(346,916,958)	-	-	-	(346,916,958)
Federal Funds	-	-	-	(330,638,301)	-	-	(330,638,301)
Tsfr From Administrative Svcs	-	-	(26,588,954)	-	-	-	(26,588,954)
Tsfr From Revenue, Dept of	-	-	(41,581,310)	-	-	-	(41,581,310)
Tsfr From Education, Dept of	-	-	(48,927)	-	-	-	(48,927)
Tsfr From Board of Dentistry	-	-	-	-	-	-	-
Tsfr From Or Liquor Cntrl Comm	-	-	(138,925)	-	-	-	(138,925)
Tsfr From Oregon Medical Board	-	-	-	-	-	-	-
Tsfr From Nursing, Bd of	-	-	-	-	-	-	-
Tsfr From Board of Pharmacy	-	-	(6,545)	-	-	-	(6,545)
Total Revenues	**$770,919,920**	**-**	**($440,281,619)**	**($330,638,301)**	**-**	**-**	**-**
Services & Supplies							
Instate Travel	8,351	-	(8,351)	-	-	-	-
Out of State Travel	1,873	-	(1,873)	-	-	-	-
Employee Training	2,191	-	(2,191)	-	-	-	-
Office Expenses	14,497	-	(14,497)	-	-	-	-
Telecommunications	5,282	-	(5,282)	-	-	-	-
Data Processing	11,986	-	(11,986)	-	-	-	-
Publicity and Publications	41	-	(41)	-	-	-	-
Professional Services	245,755	-	(245,755)	-	-	-	-
IT Professional Services	277	-	(277)	-	-	-	-
Attorney General	43,300	-	(43,300)	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 050 - Fundshifts

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Employee Recruitment and Develop	17	-	(17)	-	-	-	-
Dues and Subscriptions	1,038	-	(1,038)	-	-	-	-
Facilities Rental and Taxes	749	-	(749)	-	-	-	-
Agency Program Related S and S	7,464	-	(7,464)	-	-	-	-
Other Services and Supplies	67,159	-	(67,159)	-	-	-	-
Expendable Prop 250 - 5000	779	-	(779)	-	-	-	-
IT Expendable Property	1,265	-	(1,265)	-	-	-	-
Total Services & Supplies	**$412,024**	**-**	**($412,024)**	**-**	**-**	**-**	**-**
Special Payments							
Dist to Counties	1,391,366	-	(1,391,366)	-	-	-	-
Dist to Other Gov Unit	25,389	-	(25,389)	-	-	-	-
Dist to Individuals	768,795,553	-	(438,157,252)	(330,638,301)	-	-	-
Other Special Payments	246,661	-	(246,661)	-	-	-	-
Spc Pmt to Education, Dept of	48,927	-	(48,927)	-	-	-	-
Total Special Payments	**$770,507,896**	**-**	**($439,869,595)**	**($330,638,301)**	**-**	**-**	**-**
Total Expenditures							
Total Expenditures	770,919,920	-	(440,281,619)	(330,638,301)	-	-	-
Total Expenditures	**$770,919,920**	**-**	**($440,281,619)**	**($330,638,301)**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 050 - Fundshifts

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 070 - Revenue Shortfalls

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Other Revenues	-	-	(3,301,600)	-	-	-	(3,301,600)
Total Revenues	**-**	**-**	**($3,301,600)**	**-**	**-**	**-**	**($3,301,600)**
Special Payments							
Dist to Individuals	-	-	(3,301,600)	-	-	-	(3,301,600)
Total Special Payments	**-**	**-**	**($3,301,600)**	**-**	**-**	**-**	**($3,301,600)**
Total Expenditures							
Total Expenditures	-	-	(3,301,600)	-	-	-	(3,301,600)
Total Expenditures	**-**	**-**	**($3,301,600)**	**-**	**-**	**-**	**($3,301,600)**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 402 - Enhance OHA Office of Program Integrity

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	1,566,735	-	-	-	-	-	1,566,735
Other Revenues	-	-	2,050,000	-	-	-	2,050,000
Federal Funds	-	-	-	3,614,761	-	-	3,614,761
Total Revenues	**$1,566,735**	**-**	**$2,050,000**	**$3,614,761**	**-**	**-**	**$7,231,496**
Personal Services							
Class/Unclass Sal. and Per Diem	325,752	-	-	325,752	-	-	651,504
Empl. Rel. Bd. Assessments	175	-	-	175	-	-	350
Public Employees' Retire Cont	42,637	-	-	42,644	-	-	85,281
Social Security Taxes	24,920	-	-	24,920	-	-	49,840
Worker's Comp. Assess. (WCD)	210	-	-	210	-	-	420
Flexible Benefits	102,088	-	-	102,095	-	-	204,183
Total Personal Services	**$495,782**	**-**	**-**	**$495,796**	**-**	**-**	**$991,578**
Services & Supplies							
Instate Travel	8,820	-	-	8,813	-	-	17,633
Out of State Travel	2,429	-	-	2,422	-	-	4,851
Employee Training	16,772	-	-	16,772	-	-	33,544
Office Expenses	7,112	-	-	7,091	-	-	14,203
Professional Services	3,000,000	-	-	3,000,000	-	-	6,000,000
Agency Program Related S and S	82,628	-	-	80,675	-	-	163,303
Other Services and Supplies	1,526	-	-	1,526	-	-	3,052

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 402 - Enhance OHA Office of Program Integrity

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Expendable Prop 250 - 5000	1,666	-	-	1,666	-	-	3,332
Total Services & Supplies	**$3,120,953**	**-**	**-**	**$3,118,965**	**-**	**-**	**$6,239,918**
Special Payments							
Dist to Individuals	(2,050,000)	-	2,050,000	-	-	-	-
Total Special Payments	**($2,050,000)**	**-**	**$2,050,000**	**-**	**-**	**-**	**-**
Total Expenditures							
Total Expenditures	1,566,735	-	2,050,000	3,614,761	-	-	7,231,496
Total Expenditures	**$1,566,735**	**-**	**$2,050,000**	**$3,614,761**	**-**	**-**	**$7,231,496**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							7
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**7**
Total FTE							
Total FTE							6.16
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**6.16**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 403 - Hepatitis C Treatment Expansion

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	42,623,093	-	-	-	-	-	42,623,093
Other Revenues	-	-	19,129,530	-	-	-	19,129,530
Federal Funds	-	-	-	200,186,507	-	-	200,186,507
Total Revenues	**$42,623,093**	**-**	**$19,129,530**	**$200,186,507**	**-**	**-**	**$261,939,130**
Special Payments							
Dist to Individuals	42,623,093	-	19,129,530	200,186,507	-	-	261,939,130
Total Special Payments	**$42,623,093**	**-**	**$19,129,530**	**$200,186,507**	**-**	**-**	**$261,939,130**
Total Expenditures							
Total Expenditures	42,623,093	-	19,129,530	200,186,507	-	-	261,939,130
Total Expenditures	**$42,623,093**	**-**	**$19,129,530**	**$200,186,507**	**-**	**-**	**$261,939,130**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 404 - Juvenile Fitness to Proceed

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(438,984)	-	-	-	-	-	(438,984)
Total Revenues	**($438,984)**	**-**	**-**	**-**	**-**	**-**	**($438,984)**
Special Payments							
Dist to Individuals	(438,984)	-	-	-	-	-	(438,984)
Total Special Payments	**($438,984)**	**-**	**-**	**-**	**-**	**-**	**($438,984)**
Total Expenditures							
Total Expenditures	(438,984)	-	-	-	-	-	(438,984)
Total Expenditures	**($438,984)**	**-**	**-**	**-**	**-**	**-**	**($438,984)**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 405 - MMIS Modularization

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	344,538	-	-	-	-	-	344,538
Federal Funds	-	-	-	3,032,701	-	-	3,032,701
Total Revenues	**$344,538**	**-**	**-**	**$3,032,701**	**-**	**-**	**$3,377,239**
Services & Supplies							
IT Professional Services	142,299	-	-	1,212,549	-	-	1,354,848
Total Services & Supplies	**$142,299**	**-**	**-**	**$1,212,549**	**-**	**-**	**$1,354,848**
Special Payments							
Other Special Payments	202,239	-	-	1,820,152	-	-	2,022,391
Total Special Payments	**$202,239**	**-**	**-**	**$1,820,152**	**-**	**-**	**$2,022,391**
Total Expenditures							
Total Expenditures	344,538	-	-	3,032,701	-	-	3,377,239
Total Expenditures	**$344,538**	**-**	**-**	**$3,032,701**	**-**	**-**	**$3,377,239**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 406 - ONE System Enhancements

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	1,283,680	-	-	-	-	-	1,283,680
Federal Funds	-	-	-	11,516,320	-	-	11,516,320
Total Revenues	**$1,283,680**	**-**	**-**	**$11,516,320**	**-**	**-**	**$12,800,000**
Services & Supplies							
Employee Training	1,870	-	-	7,330	-	-	9,200
IT Professional Services	1,281,810	-	-	11,508,990	-	-	12,790,800
Total Services & Supplies	**$1,283,680**	**-**	**-**	**$11,516,320**	**-**	**-**	**$12,800,000**
Total Expenditures							
Total Expenditures	1,283,680	-	-	11,516,320	-	-	12,800,000
Total Expenditures	**$1,283,680**	**-**	**-**	**$11,516,320**	**-**	**-**	**$12,800,000**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 407 - OHP Coverage for All Kids

Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	55,030,483	-	-	-	-	-	55,030,483
Total Revenues	**$55,030,483**	**-**	**-**	**-**	**-**	**-**	**$55,030,483**
Services & Supplies							
Professional Services	68,192	-	-	-	-	-	68,192
Total Services & Supplies	**$68,192**	**-**	**-**	**-**	**-**	**-**	**$68,192**
Special Payments							
Dist to Individuals	54,962,291	-	-	-	-	-	54,962,291
Total Special Payments	**$54,962,291**	**-**	**-**	**-**	**-**	**-**	**$54,962,291**
Total Expenditures							
Total Expenditures	55,030,483	-	-	-	-	-	55,030,483
Total Expenditures	**$55,030,483**	**-**	**-**	**-**	**-**	**-**	**$55,030,483**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 408 - OHP Demonstration Waiver Extension

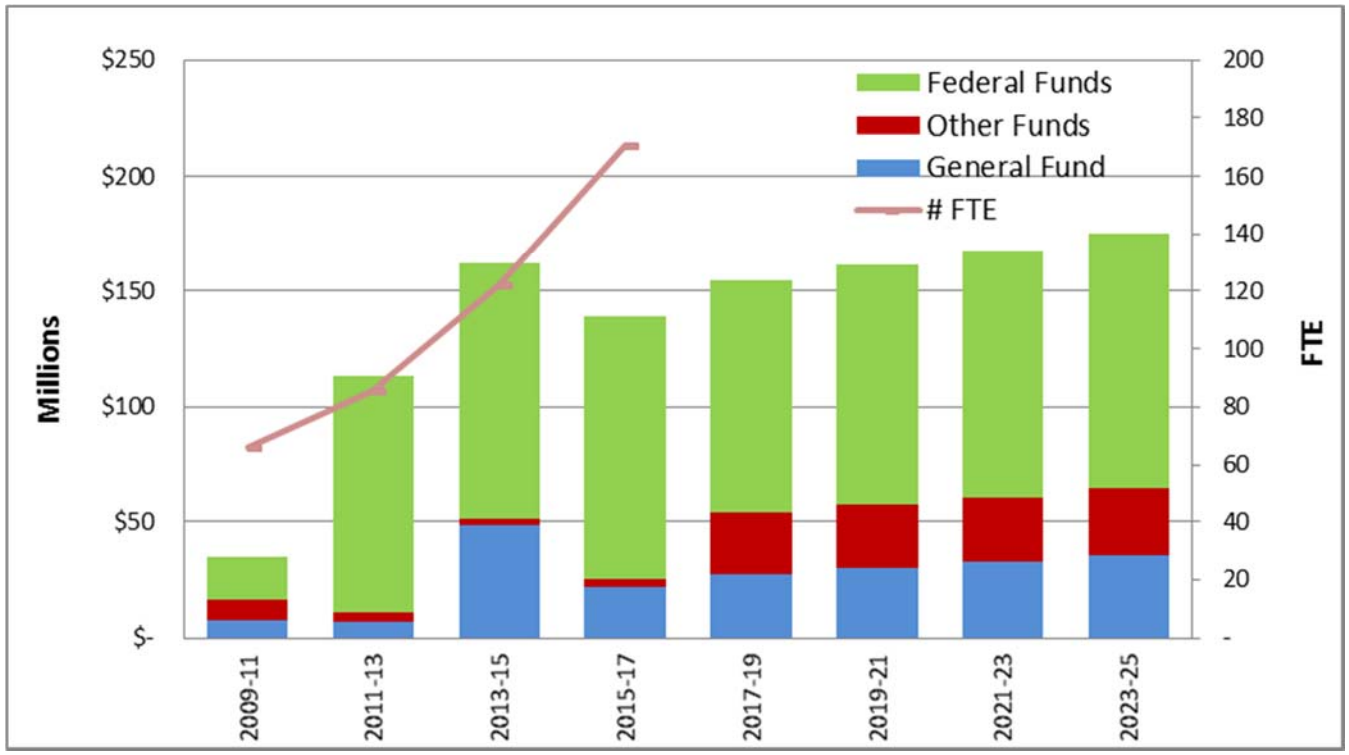
Cross Reference Name: Health Systems Division
Cross Reference Number: 44300-030-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	58,116,974	-	-	-	-	-	58,116,974
Other Revenues	-	-	18,900,000	-	-	-	18,900,000
Federal Funds	-	-	-	209,497,196	-	-	209,497,196
Total Revenues	**$58,116,974**	**-**	**$18,900,000**	**$209,497,196**	**-**	**-**	**$286,514,170**
Special Payments							
Dist to Individuals	58,116,974	-	18,900,000	209,497,196	-	-	286,514,170
Total Special Payments	**$58,116,974**	**-**	**$18,900,000**	**$209,497,196**	**-**	**-**	**$286,514,170**
Total Expenditures							
Total Expenditures	58,116,974	-	18,900,000	209,497,196	-	-	286,514,170
Total Expenditures	**$58,116,974**	**-**	**$18,900,000**	**$209,497,196**	**-**	**-**	**$286,514,170**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

OREGON HEALTH AUTHORITY: HEALTH POLICY AND ANALYTICS

Program Unit Executive Summary

Long-term focus areas: Safer, Healthier Communities and Excellence in State Government
Primary Contact: Leslie Clement, Chief of Policy
(503) 945-9718



- Prior to 2015 HP&A included the Office of Equity and Inclusion, which is not part of Central Services.

Program overview

The Health Policy and Analytics Division develops and implements innovative approaches to lowering health care costs, achieving better health and better health care. This is accomplished through seven main functions:

- The Office of Health Policy
- The Office of Clinical Improvement Services
- The Office of Health Analytics
- The State Medicaid Director
- The Office of Health Information Technology
- The Public Employees Benefit Board and the Oregon Educators Benefit Board
- The Office of Business Support

Program funding request

For the 2017-2019 biennium, the Oregon Health Authority requests the following budget (in millions) for Health Systems Division:

- 2017-2019 request: $3,718.4 TF ($27.3 GF, $3590.1 OF, and $100.9 FF)

The Oregon Health Authority estimates the following costs for Health Systems Division through the 2025-2027 biennium:

- 2019-2021 projected costs: $16,003.9 TF ($2,505.2 GF, $1,783.0 OF, and $11,715.7 FF)
- 2021-2023 projected costs: $16,634.4 TF ($2,976.4 GF, $1,893.5 OF, and $12,441.3 FF)
- 2023-2025 projected costs: $18,023.4 TF ($3,244.3 GF, $1952.2 OF, and $12,826.9 FF)
- 2025-2027 projected costs: $18,482.6 TF ($3,245.4 GF, $2,012.7 OF, and $13,224.6 FF)

Program description

The budget for Health Policy and Analytics (HPA) includes the:

- Office of Health Policy (which includes the Director of Health Policy and Analytics, the State Medicaid Director, the Office of Clinical Improvement Services, and Health Policy);

- Office of Health Analytics;
- Office of Health Information Technology; and
- Office of Business Support.

These offices provide agency-wide policy development, strategic planning, clinical leadership, Medicaid policy leadership, the development of statewide delivery system technology tools to support care coordination, CCO and delivery transformation support, and health system performance evaluation reports. Together, these offices provide services and support focused on achieving the triple aim of better health, better care, and lower costs as well as health equity.

The division **Director of Health Policy and Analytics** coordinates with the Governor's Office, the Legislature, other state and federal agencies, partners and stakeholders, local governments, advocacy and client groups, and the private sector to achieve the triple aim of better health, better care, and lower costs.

The **Office of Clinical Services Improvement** (CSI) supports the implementation of the coordinated care model in all provider and payer organizations, including the health authority, by aligning and integrating clinical resources and policies. The chief medical officer oversees the Transformation Center, Patient Centered Primary Care Home program, the Health Evidence Review Commission, and the Quality Council implementation of clinical services.

The **Office of Health Policy** supports the Oregon Health Policy Board, the Medicaid Advisory Council, OHA programs, and other stakeholders engaged in the design of Oregon's health system transformation. Its services include policy analysis, development, and evaluation. The Office of Health Policy provides technical assistance on topics such as primary care workforce development, resource leveraging, and grant development for health system transformation projects.

The **Office of Health Analytics** collects and statistically analyzes health care utilization, quality, and financial data. It does this in order to:

- Evaluate OHA program performance
- Provide data to support health system and program planning and implementation

- Analyze trends across all payers and claims data

In addition, this office performs actuarial analysis to support rate development and benefit design. This research is used by policy makers, practitioners, consumers and researchers to make data-driven decisions.

The **Office of Health Information Technology** is provides coordination across programs, departments, and agencies to develop policies and procedures that:

- Accelerate state and federal health reform goals through organized support for adoption, implementation and integration of health information technologies
- Leverage health IT funding opportunities from federal agencies, philanthropic organizations and the private sector to improve Oregon's health IT capacity
- Increase collaboration and communication among state agencies and across programs for enhanced planning and shared decision making, leveraged IT purchases and coordination of service delivery

The **Office of Business Supports** is responsible for all of the division's operational functions. The office partners with other Shared Services offices and acts as liaison to internal and external stakeholders related to operational functions. These operational functions include but are not limited to:

- Program contracts management
- Program staffing
- Program grants management
- Operational and project budget management
- Facilities management
- Program policy and rule making management
- Administrative and executive support
- Program technical support

Program justification and link to long-term outcomes

All Health Policy and Analytics programs directly support the Healthy People and Health Equity long-term outcomes. Together, the offices help to establish the common vision, define the outcomes, measure fiscal accountability, measure the effects of investment in various health care strategies, and inform all aspects of Oregon's health care decision- and policy-making efforts. In essence, these offices recommend the policy direction, measure the results, and suggest strategies for improving all Healthy People outcomes. Recent focus has been on tracking:

- Reducing per capita costs
- Reducing the number of uninsured Oregonians
- Improving specific health measures tracked by the CCOs

Program performance

These offices provide technical and subject matter expertise, analytic capacity, technical assistance, and the ability to secure funding and support of federal and national agency partners. They do not deliver program-specific services.

Enabling legislation/program authorization

Program authorization legislation and applicable federal and state mandates are listed by office in the Program Unit narratives.

Funding streams

Health Policy and Analytics is supported primarily by General Funds, matched with Medicaid Administrative Federal Funds. The match rates vary depending on the type of work being performed. The office also receives 100 percent Federal Funds from the Health Resources and Services Administration (HRSA) Primary Care grant, the Office of National Coordinator for HIT (ONC) grant, and Health Information Technology Electronic Health Record funds. It receives Other Funds from various grants (Northwest Health Foundation), fees (workforce, inpatient data, ambulatory surgical data, All Payer All Claim [APAC], and J1 Visa), and loan repayment programs (Primary Care Provider Loan).

The Federal Funds ended during 2015-2017 from the following grants: CMS Children's Health Insurance Program Reauthorization Act (CHIPRA) grant; Center for Medicare and Medicaid Innovation (CMMI) State Innovation Model grant; CMS Adult Medicaid Quality (AMQ) grant; and the Certified Community Behavioral Health Clinics (CCBHC) grant.

Significant proposed program changes from 2015-2017

None.

OREGON HEALTH AUTHORITY: HEALTH POLICY AND ANALYTICS

Program Unit Narrative: Health Policy

Expenditures by fund type, positions and full-time equivalents

	General	Other/Lottery	Federal	Total Fund	Pos.	FTE
Leg. Approved 15-17	$ 13.6	$ 1.7	$ 34.3	$ 49.6	64	57.44
Agency Request 17-19	$ 17.9	$ 2.5	$ 15.1	$ 35.5	54	52.24
Difference	$ 4.3	$ 0.8	$ (19.2)	$ (14.1)	-10	-5.2
Percent Change	32%	46%	-56%	-28%	-16%	-0.09

Activities, program and issues in the program unit base budget that may require further explanation than allowed in the Program Unit Executive Summary

The vision set forth by the Governor, the Oregon Health Policy Board and the Legislature is of one integrated, statewide health system that achieves better health, better care, and lower health care costs for all Oregonians. Moving toward achievement of this vision has resulted in a policy framework that requires the current delivery system to focus on:

- Improving care coordination
- Integrating behavioral, physical, and oral health care
- Incorporating community-based and public health resources toward improved population health
- Use of alternative payments to provide incentive for health outcomes the
- Managing within a fixed rate of growth
- Spreading evidence-based best practices and innovations

Health Policy coordinates with the Governor's Office, the Legislature, other state and federal agencies, partners and stakeholders, local governments, advocacy and client groups, and the private sector to achieve the triple aim of better health,

better care, and lower costs. Health Policy includes the Health Policy and Analytics Division director, the state Medicaid director, the Office of Clinical Improvement Services (led by the chief medical officer), and the Office of Health Policy.

The Office of Clinical Improvement Services

OHA has shifted existing clinical staff, programs and resources into a new unit under the direction of the chief medical officer (CMO). The purpose of this shift is to better align medical management practices and coordinate clinical policies across the coordinated care organizations, other plans and payers, and all OHA departments.

The goals of the chief medical officer and Clinical Services Improvements Office are to:

- Integrate clinical policies and resources to support the coordinated care model
- Align and coordinate health care delivery strategies and systems throughout the Oregon Health Authority
- Pursue further integration of behavioral, physical and oral health care
- Establish and maintain effective working relationships with Oregon's providers and health care delivery system representatives
- Coordinate quality improvement efforts across OHA, PEBB- and OEBB-contracted plans, the CCOs, and other entities involved in quality improvement

One goal of the CMO is to focus the agency's clinical knowledge and expertise on achieving performance, quality, and cost containment goals. It will accomplish this in part by assuming direct supervision of several existing positions within OHA that have historically reported through a variety of chains of command. These include:

- OHA Medicaid medical director
- OHA behavioral health director
- OHA dental director
- Transformation Center's director of systems innovation
- Health Evidence Review Commission (HERC) clinical directors
- OHA quality improvement director
- Pharmacy and Therapeutics Committee contracted clinical resources

- Oregon Prescription Drug Program
- Patient Centered Primary Care Program

This unit will coordinate with the Public Health and Health Systems divisions to align OHA's clinical policies and program strategies.

The Office of Health Policy

The health policy office analyzes and develops policy options, facilitates stakeholder discussions, coordinates strategic and implementation planning efforts, and conducts health services research and policy evaluation for the Governor's Office, the Legislature, the Oregon Health Policy Board (OHPB), OHA, and other participants in Oregon's health system transformation work. These services help Oregon identify opportunities, articulate program options, implement policy, and assess its progress toward achieving the triple aim of better health, better care, and lower costs. Focused areas of work include:

- Oversight of Oregon's Medicaid policies, including the State Plan, which defines all Medicaid eligibility, benefits and reimbursement policies, the 1115 waiver, home and community-based waivers and serving as the single point of contact for the Centers for Medicare and Medicaid
- Staffing the Medicaid Advisory Committee
- Staffing the OHPB and its committee and work groups
- Developing and analyzing policy as legislatively directed on priority topics such as the key elements of health system transformation, rural health care initiatives, health care financing and others
- Engaging stakeholders, working with contractors, initiating and administrating grants to implement delivery system transformation policies, primary care workforce development, strategic plans, etc.
- Administering and coordinating mental health and substance use disorder federal block grants
- Analyzing emerging health policy issues and regulations, and working with national and other state experts to bring best practices and new ideas to Oregon

Any additional important background for decision makers that is not mentioned above. Include trends in caseload, workload or other external factors that may influence the operation of the program

The CMO also oversees the Health Evidence Review Commission (HERC). Among other responsibilities, HERC:

- Conducts research into comparative effectiveness and benefit design to inform public and private sector transformation efforts
- Performs medical technology reviews
- Develops clinical and coverage guidelines based on clinical evidence
- Maintains the Oregon Health Plan's Prioritized List of Health Services
- Disseminates information on the cost and effectiveness of medical treatments and technologies

A key strategy for the Office of Clinical Services staff is applying HERC research to advance policy development, implementation, and evaluation for OHA, the CCOs, and PEBB/OEBB contracted plans.

The Office of Clinical Improvement Services has a key role in developing and staffing OHA's internal, cross-agency Quality Council. The Quality Council brings together OHA leadership to coordinate and lead quality improvement efforts for the agency. It provides the structure for: (1) OHA's leaders in clinical, behavioral, and population health to analyze clinical trends in quality, compliance, and system performance; and, (2) the development of integrated strategies to improve quality. The Office of Clinical Improvement Services ensures that the Quality Council's work is integrated and shared with the CCO medical directors, PEBB/OEBB boards and their contracted plans, and other OHA programs.

The Office of Clinical Improvement Services also sponsors performance improvement projects and oversees the Transformation Center to coordinate and support quality efforts based on the Quality Council's recommendations. It identifies valuable information such as key health care trends to share with our partner agencies, the Department of Human Services, the Department of Consumer and Business Services Insurance Division, the Governor's Office, and the Legislature.

The chief medical officer oversees the Pharmacy and Therapeutics committee and Oregon Prescription Drug Program. This includes evaluating and monitoring pharmacy benefits across Medicaid populations, both those in CCOs and in traditional fee-for-service coverage. Additionally, the CMO leads development of strategies for fiscally sustainable administration of pharmacy benefits.

The Office of Health Policy

The Office of Health Policy facilitated Oregon's application and approval for two new federal programs:

- Oregon was one of 24 states selected by the Substance Abuse and Mental Health Services Administration (SAMHSA) to receive grants to plan and develop certified community behavioral health clinics. SAMHSA will select up to eight of these states to participate in a two-year CCBHC demonstration program.
- Oregon was selected as one of eight states by the Center for Medicare and Medicaid Innovation (CMMI) to participate in an Innovation Accelerator Program on Medicaid-State Housing Agency Partnerships.

During 2015-2017, the Office of Health Policy also provided extensive analysis, planning and coordination to implement significant changes required by new federal rules and guidance on Home and Community Based setting requirements, mental health parity, Medicaid managed care regulations, and monitoring access to Medicaid services.

Enabling legislation

The Office of Clinical Services Improvement supports the following state mandates:

- Health Evidence Review Commission (HERC) (ORS 414.688-704)
- Pain Management Commission (PMC) (ORS 413.570-599)
- Patient Centered Primary Care Home Program (ORS 442.210, 414.655) and 414.655 adds CCOs under PCPCH program

Revenue sources and proposed revenue changes.

Health Policy leverages Medicaid administrative match for eligible programs and activities including Medicaid-related health system transformation, the Medicaid Advisory Committee, research and evaluation, and staffing.

The office receives Federal Funds from the Centers for Medicare and Medicaid Innovation (SIM grant), the Health Resources and Services Administration (HRSA) Primary Care grant and Other Fund grant awards from the Northwest Health Foundation and others to fund efforts that fit within the strategic vision of health care reform in Oregon.

The Other Funds include a fee-supported program for the Conrad J-1 Visa Program (HB 2151; ORS 409.745) and a loan repayment program (Primary Care Provider Loan).

Proposed new laws that apply to the program unit.

None.

OREGON HEALTH AUTHORITY: HEALTH POLICY AND ANALYTICS

Program Unit Narrative: Office of Health Information Technology

Expenditures by fund type, positions and full-time equivalents:

	General	Other/Lottery	Federal	Total Fund	Pos.	FTE
Leg. Approved 15-17	$ 2.3	$ -	$ 75.5	$ 77.8	21	21.00
Agency Request 17-19	$ 2.6	$ 23.0	$ 80.9	$ 106.5	36	32.50
Difference	$ 0.3	$ 23.0	$ 5.4	$ 28.7	15	11.50
Percent Change	14%		7%	37%	71%	0.55

Activities, program and issues in the program unit base budget that may require further explanation than allowed in the Program Unit Executive Summary

The Office of Health Information Technology develops and supports effective health information technology (HIT) policies, programs, and partnerships that enable improved health for all Oregonians. Health information technology is computerized storage, retrieval and sharing of health information and data. A good example is electronic health records used by hospitals and health care providers. Health information exchange (HIE) is the electronic sharing of health information between two or more HIT systems. Health information exchange also sometimes refers to an organization that provides health information exchange technology services.

OHIT is working with Oregon's health care community to improve health by making it possible to securely share patient information within the state and nationally. An electronic health information network connecting providers, health plans and individuals will make care more efficient and effective.

OHIT also has significant HIT and HIE programs in place and new projects in development:

- More than half of OHIT's budget is Federal Funds that pay for Oregon's Medicaid Electronic Health Record Incentive Program. These funds pay 100 percent of incentives to Oregon providers and hospitals that adopt and use certified electronic health records in a meaningful way. It began in 2011 and will end in 2022.
- OHIT partnered with stakeholders to launch the Emergency Department Information Exchange (EDIE) and PreManage, which bring real-time hospital event information to providers, CCOs, health plans and emergency departments across the state, making a real difference in getting people to the right care, in the right place, at the right time.
- CareAccord, Oregon's statewide health information exchange program, supports care coordination and sharing health information via Direct secure messaging for health care organizations and state agency programs across the state. Direct is a national encryption standard for securely exchanging clinical healthcare data via the Internet.
- OHIT launched a new technical assistance program to support providers who serve Medicaid members in effectively adopting and using certified electronic health records.
- OHIT is implementing HIT services for Oregon health care stakeholders, such as state agency programs, providers, health plans, CCOs, and hospitals. This is the next step in using health information technology to transform Oregon's health care system. This effort includes a mandated common credentialing database and program, a state-level provider directory, a registry of clinical quality metrics provider information services and more.

Any additional important background for decision makers that is not mentioned above. Include trends in caseload, workload or other external factors that may influence the operation of the program

To be effective, Oregon's transformed health care system increasingly relies on access to patient information and the health information technology infrastructure to share and analyze data. HIT affects nearly every aspect of coordinated care including care coordination; population health management; integration of physical, behavioral, and oral health; accountability, quality improvement and metrics; alternative payment methodologies; and patient engagement. New tools are needed to share information, aggregate data effectively, support telehealth, and provide patients with tools and data.

Oregon is in the top tier of states for providers receiving federal incentive payments (either from Medicare or Medicaid) for electronic health records, with more than $430 million coming to all Oregon hospitals and more than 7,300 Oregon providers. As of April 2016, Oregon's Medicaid Electronic Health Record Incentive Program has disbursed more than $142 million in federal incentive payments to hospitals and health care providers since its inception in 2011.

In the past biennium, OHIT made significant progress in supporting Oregon's triple aim of improved health care, lower costs, and better patient outcomes through HIT and health information exchange efforts.

- In 2015, OHA established the Oregon Health Information Technology Program to connect and support community and organizational HIT efforts where they exist, fill gaps where these efforts do not exist, and ensure all providers on a care team have the means to participate in basic sharing of information needed to coordinate care.
- OHIT partnered with the Oregon Health Leadership Council to launch one such service – the Emergency Department Information Exchange, connecting all Oregon hospitals and providing emergency rooms with critical, concise information about patients who are high utilizers of emergency department services. Participating CCOs, health plans, and providers subscribe to receive real-time information when their patient or member has a hospital event in any hospital in Oregon or Washington. All of Oregon's eligible hospitals have made their ED and inpatient data available in EDIE, adding Oregon's data to the ED event data from Washington hospitals. Eight of the 16 CCOs have subscribed to PreManage and are extending their license to their key clinical practices. About 150 clinic sites in Oregon are live.
- CareAccord serves more than 1,300 providers and other health care-related users in Oregon through its web portal services, and now serves many Oregon safety-net clinics through integration with OCHIN's EHR. CareAccord also administers the Flat File Directory, which is Oregon's address book of participating organizations' Direct secure messaging addresses. The directory allows its participants throughout Oregon to find or "discover" Direct addresses outside their own organizations so they can exchange patient health care information across settings. As of April 2016, the Flat File Directory represented more than 316 Oregon health care organizations (primary care, hospital, behavioral health, dentistry, etc.), totaling more than 6,250 Direct addresses. Plans called for Washington Direct secure messaging addresses to be added in the summer of 2016.

- In 2016 OHIT launched the Oregon Medicaid Meaningful Use Technical Assistance Program to help providers effectively use their EHR technology and realize the benefits of their investments. It also will help support CCO efforts in care coordination, quality improvement, and metrics and data reporting required for the CCO quality incentive program. OHA has contracted with OCHIN to provide these technical assistance services. The Technical Assistance program will run through May 2018 and aims to serve more than 1,200 Medicaid providers.
- OHIT has three new HIT services in development in 2016, to support efficient and effective care coordination, analytics, population management and health care operations. These projects are subject to rigorous oversight by DAS Office of the State CIO, the Legislative Fiscal Office, a third-party quality assurance vendor, and CMS oversight for Provider Directory and the Metrics Registry. The projects include:
    - A common credentialing program and database that streamlines access to information necessary to credential or re-credential all health care practitioners in the state
    - A statewide provider directory, critical to supporting health information exchange, analytics and population management, accountability efforts, and operational efficiencies
    - A registry to capture clinical quality metrics from electronic health records, with an initial focus on required CCO quality metric reporting and Medicaid EHR Incentive Program reporting in 2018

Enabling legislation

In the 2009 regular session, House Bill 2009 established the Health Information Technology Oversight Council (HITOC), which coordinates Oregon's public and private statewide efforts in electronic health record adoption, HIT and health information exchange. Since its creation, HITOC has created strategic and operational plans for the development of a statewide system for electronic health information exchange. HITOC also helps Oregon meet the federal requirements for providers to become eligible to receive EHR incentive payments available under the ARRA/HITECH Act.

In the same session, House Bill 3650, which defined health care transformation in Oregon, included significant health information technology requirements, including that coordinated care organizations use health information technology for care

coordination. It also requires OHA to ensure the appropriate use of electronic health information by CCOs to improve health and health care.

In the 2013 regular session, Senate Bill 604 required OHA to establish a common credentialing database and program. The program will provide a common credentialing solution that will streamline the process for applying for and maintaining credentialing information for Oregon practitioners. Today practitioners must complete credentialing applications and provide supporting documentation for each credentialing organization. SB 604 requires OHA to establish fees for the sustainability of the program. Senate Bill 594 (2015) updated that legislation by allowing OHA to establish the program start date by rule.

In 2015, Oregon passed legislation to align HIT efforts with health system transformation goals, formalize and support OHA's health IT efforts, and improve OHA's ability to advance the necessary health IT to support CCOs and the spread of the coordinated care model. HB 2294 (2015) updates the original HITOC components of HB 2009 (2009) to account for changes since 2009. It has three major components:

- Establishing the Oregon HIT Program within OHA, allowing the agency to offer services beyond Medicaid to the private sector. Participation will be voluntary and OHA may charge user fees for such services to cover costs and ensure sustainability. OHA is required to report at least annually to the Legislature on the status of the Oregon HIT Program.
- Providing OHA greater flexibility in working with stakeholders and partners. It gives OHA the opportunity to enter into partnerships or collaboratives when other entities in Oregon are establishing statewide HIT infrastructure tools.
- Moving HITOC under the Oregon Health Policy Board to ensure statewide HIT efforts align with and support health system transformation.

Revenue sources and proposed revenue changes

The Office of Health Information Technology is funded through state General Funds along with federal HITECH and Medicaid Management Information System (MMIS) matching dollars. More than half of OHIT's budget is derived from 100 percent federal HITECH Act funding to provide federal incentive payments to Oregon hospitals and providers under Oregon's

Medicaid Electronic Health Record Incentive Program. OHIT's General Fund dollars are used as a match to acquire HITECH and MMIS funds at mostly 90:10 (FF to GF) matching rate; OHIT has a small amount of additional funding at 75:25 (FF to GF) and 50:50 (FF to GF). The funding percentage depends on several factors including whether the money is spent on planning, implementation or operations. This means that for every state dollar invested, five to nine matching dollars are drawn into the Oregon economy.

In 2015, OHA and sub-recipient Jefferson Health Information Exchange (Jefferson HIE) were awarded a two-year, $1.6 million cooperative agreement from the Office of the National Coordinator for Health Information Technology aimed at advancing the adoption and expansion of health information technology infrastructure and interoperability. Through the project, Jefferson HIE aims to address barriers to information sharing and care coordination across settings, particularly for behavioral health data. Funding ends in 2017.

OHIT intends to charge fees starting in 2017-2019 for common credentialing, provider directory, and CareAccord. Fee amounts and fee structure will be included for legislative approval in OHA's fee policy option package, as well as Other Fund budget limitation.

Proposed new laws that apply to the program unit.

None.

OREGON HEALTH AUTHORITY: HEALTH POLICY AND ANALYTICS DIVISION

Program Unit Narrative: The Office of Health Analytics

Expenditures by fund type, positions and full-time equivalents:

	General	Other/Lottery	Federal	Total Fund	Pos.	FTE
Leg. Approved 15-17	$ 4.8	$ 1.0	$ 3.2	$ 9.0	34	35.14
Agency Request 17-19	$ 5.4	$ 1.0	$ 3.4	$ 9.8	37	37.00
Difference	$ 0.5	$ (0.0)	$ 0.3	$ 0.8	3	1.86
Percent Change	11%	-3%	9%	9%	9%	5%

Activities, program and issues in the program unit base budget that may require further explanation than allowed in the Program Unit Executive Summary

The Office of Health Analytics coordinates and produces financial, quality, and performance data, and analyzes these data for the Oregon Health Authority (OHA) and the Oregon Health Policy Board (OHPB). The office supports OHA's and OHPB's management and budget decisions and evaluates the impact of those decisions.

The office collects and analyzes data on the performance of Oregon's health care system. Examples include hospital utilization, quality and costs; health care workforce capacity; and rate of insurance coverage. It also collects and analyzes OHA program performance data, including behavioral health services evaluation (the Behavioral Health Map) and coordinated care organization incentive metrics). Among the data the office collects and analyzes is the All Payer All Claims Database, which is used to make policies and decisions that are based on solid research and data.

The Office of Health Analytics is organized into four program units serving complimentary functions:

The Metrics Program generates many reports and publications of metrics-driven data. These include:

- An annual CCO metrics report on performance
- Hospital metrics reports for the Hospital Committee and the Hospital Technical Advisory group
- Health Plan quality metrics driven by Senate Bill 440
- The Clinical Quality Metrics Registry
- Evaluation metrics services for the State Innovation Model grant and the Medicaid waiver

The Research and Data Program supplies data and analytics services mainly to OHA's external partners. Some of these services include:

- The All Payer All Claims database – data collection, compilation and reporting
- Physician workforce data such as licensing
- Health insurance coverage and access to care
- Health care financing and costs including those related to Medicaid expansion
- Hospital and facilities inpatient and outpatient data, hospital finances and expenses, price transparency and capital projects

The Program Analysis and Measurement Program collects, measures and reports data to other OHA programs. These services include:

- Oregon Health Plan and Medicaid Support data reporting, dashboards and analysis
- Analysis and data support for the Office of Equity and Inclusion
- Behavioral Health data and analysis and dashboards
- Survey services (including physician workforce survey, student wellness survey, Consumer Assessment of Health Providers and Systems Survey (CAHPS)
- Internal program performance metrics

The Data Integration Program provides technology, system and infrastructure support for the Office of Health Analytics and its programs. The support includes:

- Data governance, privacy and security
- Data request tracking and data access requests
- Cross-agency data strategy, integration and coordination
- Data systems and infrastructure – data warehousing, server management, data documentation and business intelligence

Any additional important background for decision makers that is not mentioned above. Include trends in caseload, workload or other external factors that may influence the operation of the program

None.

Revenue sources and proposed revenue changes.

The Office of Health Analytics leverages Medicaid administrative match for eligible programs and activities, including Medicaid-related health system transformation, research and evaluation, and staffing.

The office receives Other Funds fees for health care workforce data collection and reporting, ambulatory surgery reporting and health care data reporting.

Proposed new laws that apply to the program unit.

None.

OREGON HEALTH AUTHORITY: HEALTH POLICY AND ANALYTICS

Program unit narrative: The Office of Business Support

Expenditures by fund type, positions and full-time equivalents

	General	Other/Lottery	Federal	Total Fund	Pos.	FTE
Leg. Approved 15-17	$ 1.4	$ 0.1	$ 1.2	$ 2.8	16	15.91
Agency Request 17-19	$ 1.5	$ 0.2	$ 1.4	$ 3.1	17	16.41
Difference	$ 0.1	$ 0.1	$ 0.2	$ 0.3	0	0.00
Percent Change	5%	68%	13%	11%	0%	0%

Activities, program and issues in the program unit base budget that may require further explanation than allowed in the Program Unit Executive Summary

The Office of Business Support develops and maintains operational processes and procedures on behalf of the Health Policy and Analytics division.

The operational services are organized into three program units: Contracts and Grants Management, Budget and Technology Management, and Staffing and Administrative Support. The Office of Business Support works closely with and acts as liaison with other operational areas of the agency including: other business support offices in other divisions, Central Services, the Director's Office, and the Shared Services offices.

The Contracts and Grants Management program unit includes the following functions:

- Manage the operations of the State Innovation Model (SIM) grant
- Manage the division's contract portfolio

- Administer contract initiation, amendments and renewal including the use of interagency agreements and memos of understanding
- Maintain grant documentation and version control, grant carry-over process, grant operational setup and maintenance and grant closeout

The Budget and Technology Management program unit includes the following functions:

- Lead the initial biennial budget building and projection process at the division level and for each office in the division
- Provide rebalance and reshoot budget tracking for the division budget
- Build and maintain active operating budgets for each division program area
- Build, monitor and maintain project budgets for the division's higher-level projects
- Provide all accounts payable and accounts receivable services for the division
- Provide and maintain the division's technology support including: SharePoint, Web development, deskside support, asset management, etc.
- Provide the division's rule making and policy writing services and track legislation during the sessions

The Staffing and Administrative Support program unit includes the following functions:

- Manage the hiring process for the human resources in the division including: assisting agency Human Resources with recruitments, maintain a recruitment tracker, provide onboarding services, assist with trial service issues, ensure recruitment diversity, and write position descriptions and process personnel actions
- Manage human resource disciplinary issues
- Establish and maintain a workforce strategy and succession plan for the division, aligning with the agency diversity recruitment policy
- Provide administrative support to the division's programs and executive support for the directors of each office
- Manage and support all inter-office moves in all buildings where the division is located

Any additional important background for decision makers that is not mentioned above. Include trends in caseload, workload or other external factors that may influence the operation of the program

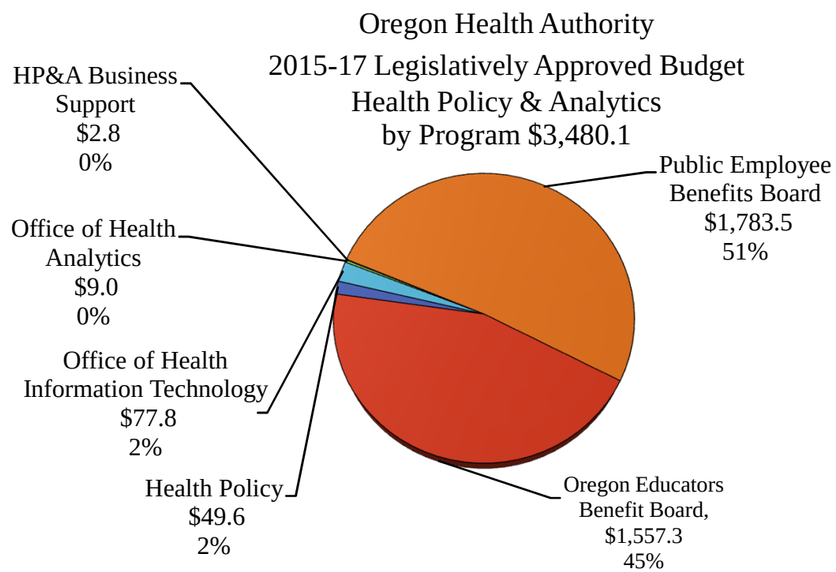
In the first year of its existence the Office of Business Support's focus has been to consolidate, identify, document and maintain operational processes for the division as a whole. Going forward the office will begin identifying meaningful metrics for each process, benchmark the current state of the measures for those processes and set goals for improvements. The focus will be on incremental improvements through the use of a maturity model and focusing on the processes that the division collectively deems to be most important

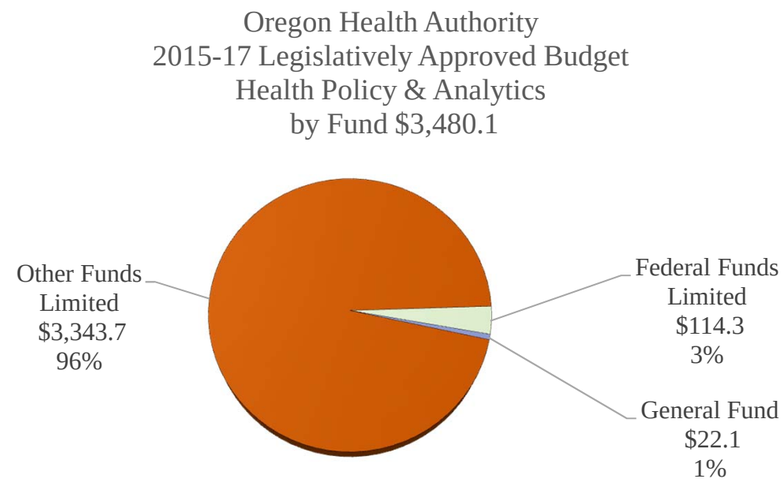
Revenue sources and proposed revenue changes.

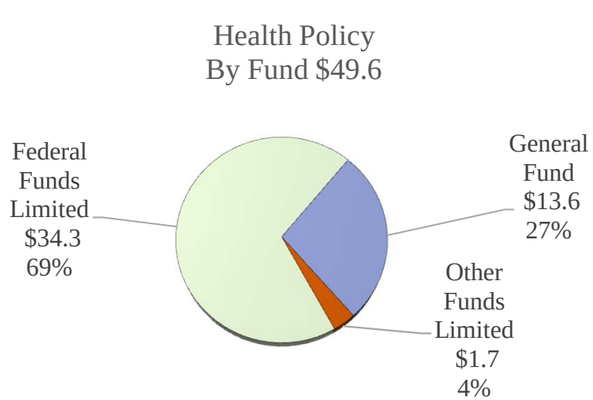
Funding streams in support of the Office of Business Supports are allocated through a federally approved cost allocation plan. A grant allocation module aggregates costs on a monthly basis, as outlined in the federally approved plan, to its respective state and federal funding sources.

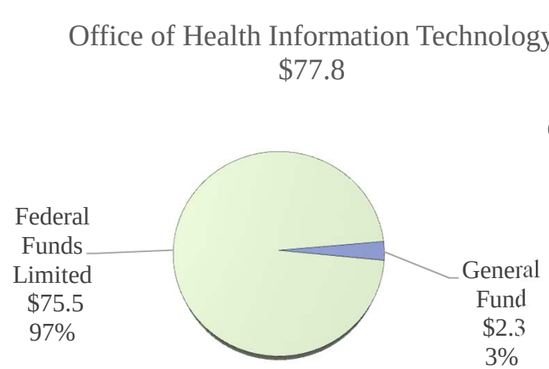
Proposed new laws that apply to the program unit

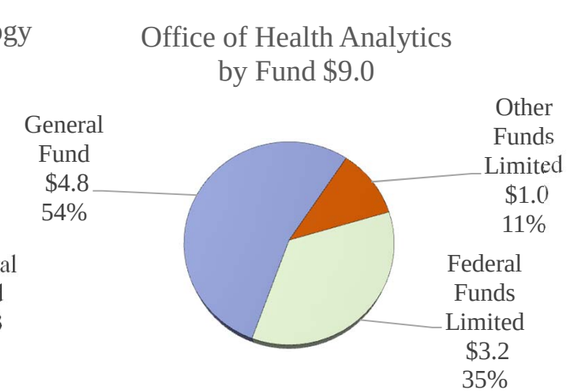
None.

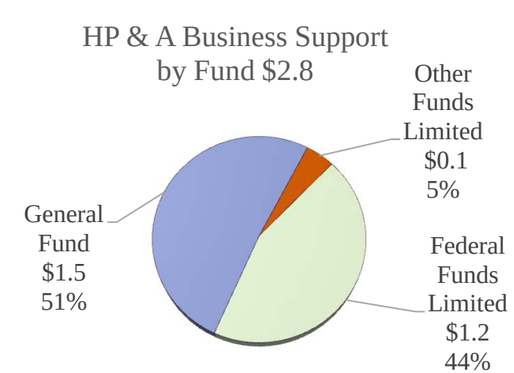

Oregon Health Authority
2015-17 Legislatively Approved Budget
Health Policy & Analytics
by Program $3,480.1
HP&A Business Support $2.8 0%
Office of Health Analytics $9.0 0%
Office of Health Information Technology $77.8 2%
Health Policy $49.6 2%
Public Employee Benefits Board $1,783.5 51%
Oregon Educators Benefit Board, $1,557.3 45%

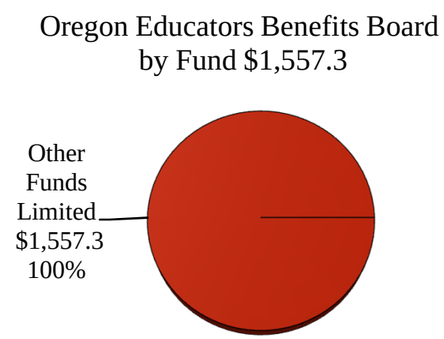

Oregon Health Authority
2015-17 Legislatively Approved Budget
Health Policy & Analytics
by Fund $3,480.1
Other Funds Limited $3,343.7 96%
Federal Funds Limited $114.3 3%
General Fund $22.1 1%

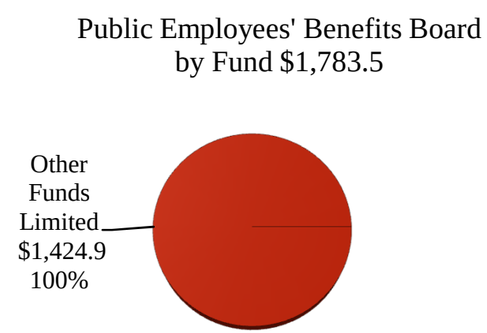

Health Policy
By Fund $49.6
Federal Funds Limited $34.3 69%
General Fund $13.6 27%
Other Funds Limited $1.7 4%

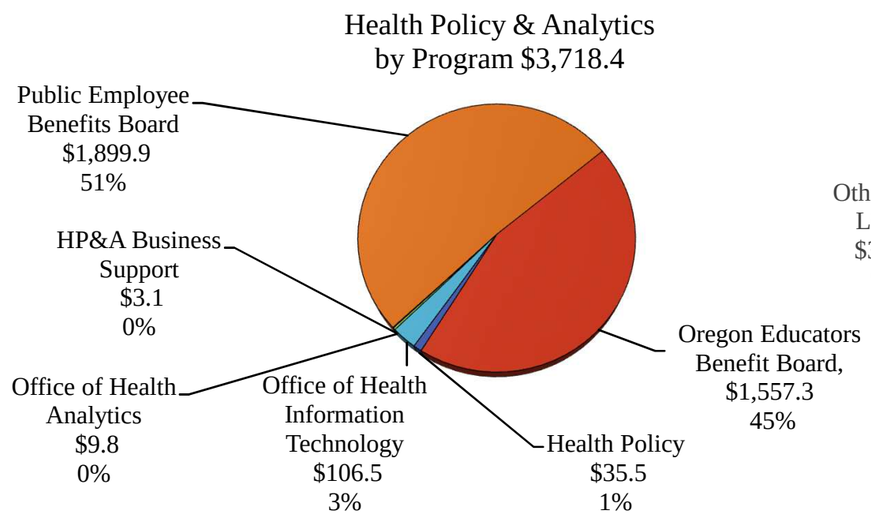

Office of Health Information Technology
$77.8
Federal Funds Limited $75.5 97%
General Fund $2.3 3%

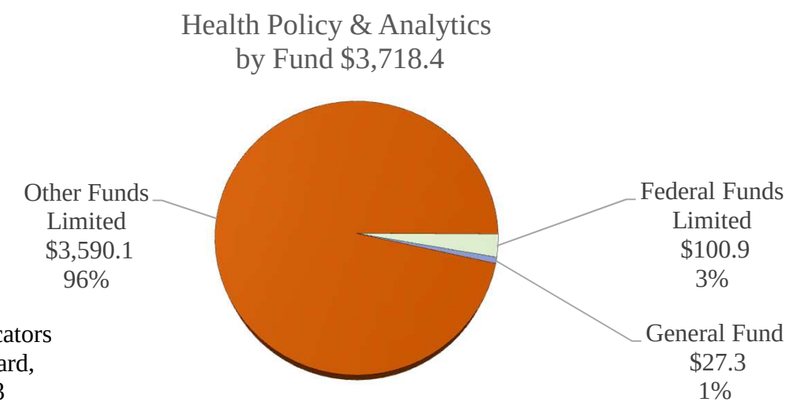

Office of Health Analytics
by Fund $9.0
General Fund $4.8 54%
Other Funds Limited $1.0 11%
Federal Funds Limited $3.2 35%

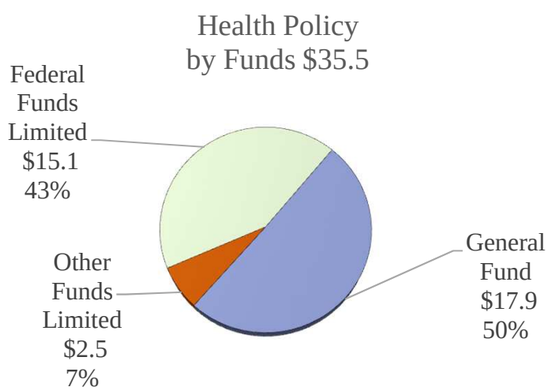

HP & A Business Support
by Fund $2.8
General Fund $1.5 51%
Other Funds Limited $0.1 5%
Federal Funds Limited $1.2 44%

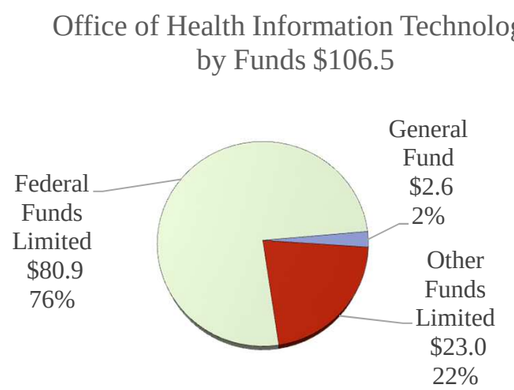

Oregon Educators Benefits Board
by Fund $1,557.3
Other Funds Limited $1,557.3 100%

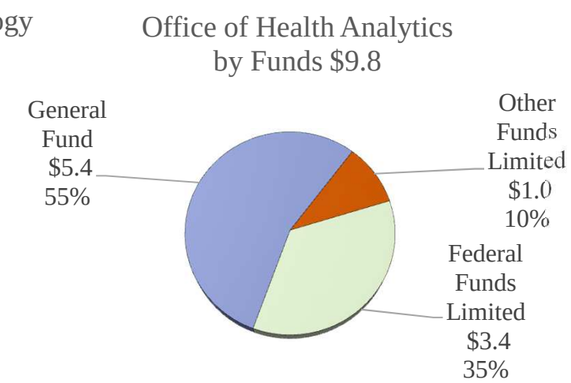

Public Employees' Benefits Board
by Fund $1,783.5
Other Funds Limited $1,424.9 100%

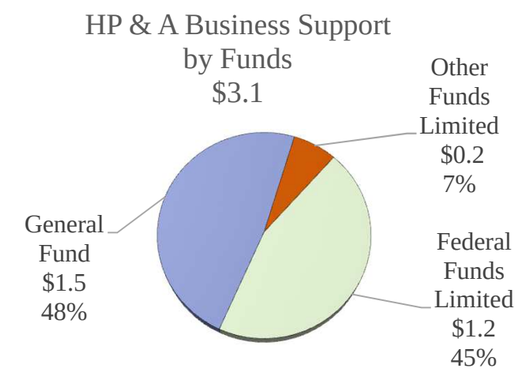

Health Policy & Analytics
by Program $3,718.4
Public Employee Benefits Board $1,899.9 51%
HP&A Business Support $3.1 0%
Office of Health Analytics $9.8 0%
Office of Health Information Technology $106.5 3%
Health Policy $35.5 1%
Oregon Educators Benefit Board, $1,557.3 45%

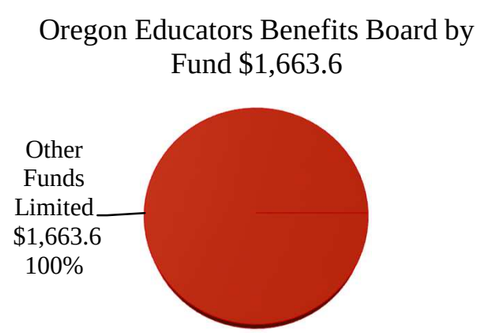

Health Policy & Analytics
by Fund $3,718.4
Other Funds Limited $3,590.1 96%
Federal Funds Limited $100.9 3%
General Fund $27.3 1%

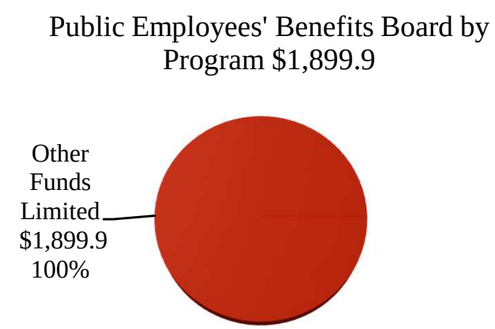

Health Policy
by Funds $35.5
Federal Funds Limited $15.1 43%
Other Funds Limited $2.5 7%
General Fund $17.9 50%


Office of Health Information Technology
by Funds $106.5
Federal Funds Limited $80.9 76%
General Fund $2.6 2%
Other Funds Limited $23.0 22%


Office of Health Analytics
by Funds $9.8
General Fund $5.4 55%
Other Funds Limited $1.0 10%
Federal Funds Limited $3.4 35%


HP & A Business Support
by Funds
$3.1
Other Funds Limited $0.2 7%
General Fund $1.5 48%
Federal Funds Limited $1.2 45%


Oregon Educators Benefits Board by
Fund $1,663.6
Other Funds Limited $1,663.6 100%


Public Employees' Benefits Board by
Program $1,899.9
Other Funds Limited $1,899.9 100%

Oregon Health Authority Health Policy & Analytics 44300-030-02-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
GENERAL FUND					
REVENUES					
General Fund Appropriation	0050	GF	47,306,088	22,141,946	27,344,901
TOTAL REVENUES		**GF**	**47,306,088**	**22,141,946**	**27,344,901**
TOTAL GENERAL FUNDS		**GF**	**47,306,088**	**22,141,946**	**27,344,901**
OTHER FUNDS					
REVENUES					
Other Selective Taxes	0190	OF	-	93,870	93,870
Business License & Fees	0205	OF	81,932	-	-
Non-Business License & Fees	0210	OF	103,251	-	-
Administrative Service Charges	0415	OF	7,902	-	770,090
Interest Income	0605	OF	34,654	-	-
Grants (Non-FED)	0910	OF	50,630	-	-
Other Revenues	0975	OF	1,723,520	2,151,471	25,132,591
TOTAL REVENUES		**OF**	**2,001,889**	**2,245,341**	**25,996,551**
TRANSFER IN					
Transfer in Intrafund	1010	OF	526	-	-
Transfer from Prof counsel/Thrpsts	1108	OF			22,290
Transfer from Licensed Social Wkrs	1124	OF			22,000
Tsfr From Oregon Health Authority	1443	OF	4,000,001	-	-

Oregon Health Authority Health Policy & Analytics 44300-030-02-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
Transfer in Employment Department	1471	OF	-	-	-
Transfer in Early Childhood	1523	OF	-	-	-
Transfer in HECC	1525	OF	-	-	-
Transfer in Education	1581	OF	394,677	-	-
Transfer From Chiropractixc Exam, Bd	1811	OF			11,600
Transfers in Health Lic Agency	1831	OF	1,663	-	-
Transfer in Health Relations Licensing Board	1833	OF	-	8,950	8,950
Transfer in Board of Dentistry	1834	OF	36,290	40,000	40,000
Transfer in Oregon Medical Board	1847	OF	85,895	98,381	107,046
Transfer in Board of Nursing	1851	OF	249,570	367,548	373,433
Transfer in Board of Pharmacy	1855	OF	57,993	65,855	56,610
TOTAL TRANSFERS IN		**OF**	**4,826,615**	**580,734**	**641,929**
TOTAL OTHER FUNDS		**OF**	**6,828,504**	**2,826,075**	**26,638,480**
FEDERAL FUNDS REVENUES					
Federal Funds Revenue	0995	FF	91,491,370	114,251,746	100,881,847
TOTAL REVENUES		**FF**	**91,491,370**	**114,251,746**	**100,881,847**
TOTAL FEDERAL FUNDS		**FF**	**91,491,370**	**114,251,746**	**100,881,847**
TOTAL AVAILABLE REVENUES		**TF**	**145,625,962**	**139,219,767**	**154,865,228**

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Health Authority — **Agency Number: 44300**
2017-19 Biennium — **Cross Reference Number: 44300-030-02-00-00000**

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Other Funds						
Other Selective Taxes	-	-	93,870	93,870	-	-
Business Lic and Fees	81,932	-	-	-	-	-
Non-business Lic. and Fees	103,251	-	-	-	-	-
Admin and Service Charges	7,902	-	-	770,090	-	-
Interest Income	34,654	-	-	-	-	-
Grants (Non-Fed)	50,630	-	-	-	-	-
Other Revenues	1,723,520	-	2,151,471	25,132,591	-	-
Transfer In - Intrafund	526	-	-	-	-	-
Tsfr From Prof Counsel/Thrpsts	-	-	-	22,290	-	-
Tsfr From Licensed Social Wkrs	-	-	-	22,000	-	-
Tsfr From Oregon Health Authority	4,000,001	-	-	-	-	-
Tsfr From Education, Dept of	394,677	-	-	-	-	-
Tsfr From Chiropractic Exam, Bd	-	-	-	11,600	-	-
Tsfr From Health Lic Agency	1,663	-	-	-	-	-
Tsfr From Health Rel Lic Bds	-	-	8,950	8,950	-	-
Tsfr From Board of Dentistry	36,290	-	40,000	40,000	-	-
Tsfr From Oregon Medical Board	85,895	-	98,381	107,046	-	-
Tsfr From Nursing, Bd of	249,570	-	367,548	373,433	-	-
Tsfr From Board of Pharmacy	57,993	-	65,855	56,610	-	-
Total Other Funds	**$6,828,504**	**-**	**$2,826,075**	**$26,638,480**	**-**	**-**
Federal Funds						
Federal Funds	91,491,370	-	114,251,746	100,881,847	-	-
Total Federal Funds	**$91,491,370**	**-**	**$114,251,746**	**$100,881,847**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Health Policy & Analytics
Cross Reference Number: 44300-030-02-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	445,963	-	-	-	-	-	445,963
Other Revenues	-	-	38,438	-	-	-	38,438
Federal Funds	-	-	-	452,055	-	-	452,055
Transfer In - Intrafund	-	-	-	-	-	-	-
Total Revenues	**$445,963**	**-**	**$38,438**	**$452,055**	**-**	**-**	**$936,456**
Personal Services							
Temporary Appointments	1,947	-	1,580	15,687	-	-	19,214
Overtime Payments	241	-	-	1,423	-	-	1,664
Shift Differential	-	-	-	3,466	-	-	3,466
All Other Differential	9,915	-	1,177	2,287	-	-	13,379
Public Employees' Retire Cont	1,939	-	225	1,371	-	-	3,535
Pension Obligation Bond	141,887	-	10,286	252,319	-	-	404,492
Social Security Taxes	925	-	211	1,749	-	-	2,885
Mass Transit Tax	59,418	-	6,329	-	-	-	65,747
Vacancy Savings	229,691	-	18,630	173,753	-	-	422,074
Total Personal Services	**$445,963**	**-**	**$38,438**	**$452,055**	**-**	**-**	**$936,456**
Total Expenditures							
Total Expenditures	445,963	-	38,438	452,055	-	-	936,456
Total Expenditures	**$445,963**	**-**	**$38,438**	**$452,055**	**-**	**-**	**$936,456**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Health Policy & Analytics
Cross Reference Number: 44300-030-02-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 021 - Phase - In

Cross Reference Name: Health Policy & Analytics
Cross Reference Number: 44300-030-02-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	4,067,616	-	-	-	-	-	4,067,616
Federal Funds	-	-	-	3,165,772	-	-	3,165,772
Total Revenues	**$4,067,616**	**-**	**-**	**$3,165,772**	**-**	**-**	**$7,233,388**
Personal Services							
Class/Unclass Sal. and Per Diem	1,094,678	-	-	312,082	-	-	1,406,760
Empl. Rel. Bd. Assessments	398	-	-	261	-	-	659
Public Employees' Retire Cont	194,149	-	-	10,729	-	-	204,878
Social Security Taxes	83,697	-	-	23,920	-	-	107,617
Worker's Comp. Assess. (WCD)	486	-	-	302	-	-	788
Flexible Benefits	241,281	-	-	142,083	-	-	383,364
Total Personal Services	**$1,614,689**	**-**	**-**	**$489,377**	**-**	**-**	**$2,104,066**
Services & Supplies							
Instate Travel	62,263	-	-	72,591	-	-	134,854
Out of State Travel	24,743	-	-	24,743	-	-	49,486
Employee Training	5,581	-	-	8,399	-	-	13,980
Office Expenses	17,439	-	-	114,119	-	-	131,558
Telecommunications	16,252	-	-	24,592	-	-	40,844
Professional Services	2,309,825	-	-	2,309,825	-	-	4,619,650
Agency Program Related S and S	13,046	-	-	114,271	-	-	127,317
Other Services and Supplies	3,490	-	-	5,287	-	-	8,777

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 021 - Phase - In

Cross Reference Name: Health Policy & Analytics
Cross Reference Number: 44300-030-02-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Expendable Prop 250 - 5000	288	-	-	2,568	-	-	2,856
Total Services & Supplies	**$2,452,927**	**-**	**-**	**$2,676,395**	**-**	**-**	**$5,129,322**
Total Expenditures							
Total Expenditures	4,067,616	-	-	3,165,772	-	-	7,233,388
Total Expenditures	**$4,067,616**	**-**	**-**	**$3,165,772**	**-**	**-**	**$7,233,388**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							15
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**15**
Total FTE							
Total FTE							11.50
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**11.50**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Health Policy & Analytics
Cross Reference Number: 44300-030-02-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(300,000)	-	-	-	-	-	(300,000)
Federal Funds	-	-	-	(20,295,641)	-	-	(20,295,641)
Total Revenues	**($300,000)**	**-**	**-**	**($20,295,641)**	**-**	**-**	**($20,595,641)**
Services & Supplies							
Professional Services	(300,000)	-	-	-	-	-	(300,000)
Total Services & Supplies	**($300,000)**	**-**	**-**	**-**	**-**	**-**	**($300,000)**
Special Payments							
Other Special Payments	-	-	-	(20,295,641)	-	-	(20,295,641)
Total Special Payments	**-**	**-**	**-**	**($20,295,641)**	**-**	**-**	**($20,295,641)**
Total Expenditures							
Total Expenditures	(300,000)	-	-	(20,295,641)	-	-	(20,595,641)
Total Expenditures	**($300,000)**	**-**	**-**	**($20,295,641)**	**-**	**-**	**($20,595,641)**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: Health Policy & Analytics
Cross Reference Number: 44300-030-02-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	318,525	-	-	-	-	-	318,525
Other Revenues	-	-	51,345	-	-	-	51,345
Federal Funds	-	-	-	2,991,721	-	-	2,991,721
Total Revenues	**$318,525**	**-**	**$51,345**	**$2,991,721**	**-**	**-**	**$3,361,591**
Services & Supplies							
Instate Travel	2,547	-	172	10,188	-	-	12,907
Out of State Travel	1,006	-	1	3,234	-	-	4,241
Employee Training	552	-	52	4,842	-	-	5,446
Office Expenses	4,920	-	316	12,629	-	-	17,865
Telecommunications	2,293	-	135	7,808	-	-	10,236
Data Processing	106	-	-	3,422	-	-	3,528
Publicity and Publications	11	-	-	911	-	-	922
Professional Services	229,060	-	1,862	296,029	-	-	526,951
IT Professional Services	-	-	38,000	310,245	-	-	348,245
Attorney General	452	-	9	501	-	-	962
Employee Recruitment and Develop	-	-	-	-	-	-	-
Dues and Subscriptions	28	-	2	523	-	-	553
Facilities Rental and Taxes	-	-	-	-	-	-	-
Fuels and Utilities	-	-	-	-	-	-	-
Facilities Maintenance	-	-	-	-	-	-	-
Medical Services and Supplies	-	-	-	-	-	-	-
Agency Program Related S and S	19	-	2	42	-	-	63
Other Services and Supplies	2,957	-	30	3,575	-	-	6,562
Expendable Prop 250 - 5000	288	-	35	5,765	-	-	6,088

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: Health Policy & Analytics
Cross Reference Number: 44300-030-02-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
IT Expendable Property	286	-	2	4,333	-	-	4,621
Total Services & Supplies	**$244,525**	**-**	**$40,618**	**$664,047**	**-**	**-**	**$949,190**
Capital Outlay							
Technical Equipment	-	-	-	-	-	-	-
Data Processing Software	-	-	288	-	-	-	288
Other Capital Outlay	-	-	-	-	-	-	-
Total Capital Outlay	**-**	**-**	**$288**	**-**	**-**	**-**	**$288**
Special Payments							
Dist to Counties	-	-	-	-	-	-	-
Dist to Other Gov Unit	-	-	-	-	-	-	-
Dist to Non-Gov Units	-	-	10,439	48,098	-	-	58,537
Dist to Individuals	-	-	-	-	-	-	-
Loans Made To State Agencies	-	-	-	-	-	-	-
Other Special Payments	74,000	-	-	2,279,576	-	-	2,353,576
Spc Pmt to Oregon Health Authority	-	-	-	-	-	-	-
Spc Pmt to Or Health & Science U	-	-	-	-	-	-	-
Total Special Payments	**$74,000**	**-**	**$10,439**	**$2,327,674**	**-**	**-**	**$2,412,113**
Total Expenditures							
Total Expenditures	318,525	-	51,345	2,991,721	-	-	3,361,591
Total Expenditures	**$318,525**	**-**	**$51,345**	**$2,991,721**	**-**	**-**	**$3,361,591**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: Health Policy & Analytics
Cross Reference Number: 44300-030-02-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 060 - Technical Adjustments

Cross Reference Name: Health Policy & Analytics
Cross Reference Number: 44300-030-02-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Admin and Service Charges	-	-	770,090	-	-	-	770,090
Total Revenues	**-**	**-**	**$770,090**	**-**	**-**	**-**	**$770,090**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	401,304	-	-	-	401,304
Empl. Rel. Bd. Assessments	-	-	114	-	-	-	114
Public Employees' Retire Cont	-	-	76,609	-	-	-	76,609
Pension Obligation Bond	-	-	-	-	-	-	-
Social Security Taxes	-	-	30,700	-	-	-	30,700
Worker's Comp. Assess. (WCD)	-	-	138	-	-	-	138
Mass Transit Tax	-	-	2,349	-	-	-	2,349
Flexible Benefits	-	-	66,672	-	-	-	66,672
Total Personal Services	**-**	**-**	**$577,886**	**-**	**-**	**-**	**$577,886**
Services & Supplies							
Instate Travel	-	-	10,943	-	-	-	10,943
Out of State Travel	-	-	6,161	-	-	-	6,161
Employee Training	-	-	7,024	-	-	-	7,024
Office Expenses	-	-	24,951	-	-	-	24,951
Telecommunications	-	-	62,581	-	-	-	62,581
State Gov. Service Charges	-	-	-	-	-	-	-
Data Processing	-	-	1,290	-	-	-	1,290
Attorney General	-	-	62,227	-	-	-	62,227

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 060 - Technical Adjustments

Cross Reference Name: Health Policy & Analytics
Cross Reference Number: 44300-030-02-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Other Services and Supplies	-	-	16,416	-	-	-	16,416
Total Services & Supplies	**-**	**-**	**$191,593**	**-**	**-**	**-**	**$191,593**
Special Payments							
Other Special Payments	-	-	611	-	-	-	611
Total Special Payments	**-**	**-**	**$611**	**-**	**-**	**-**	**$611**
Total Expenditures							
Total Expenditures	-	-	770,090	-	-	-	770,090
Total Expenditures	**-**	**-**	**$770,090**	**-**	**-**	**-**	**$770,090**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							2
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**2**
Total FTE							
Total FTE							2.00
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**2.00**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 409 - OHA Fee Changes

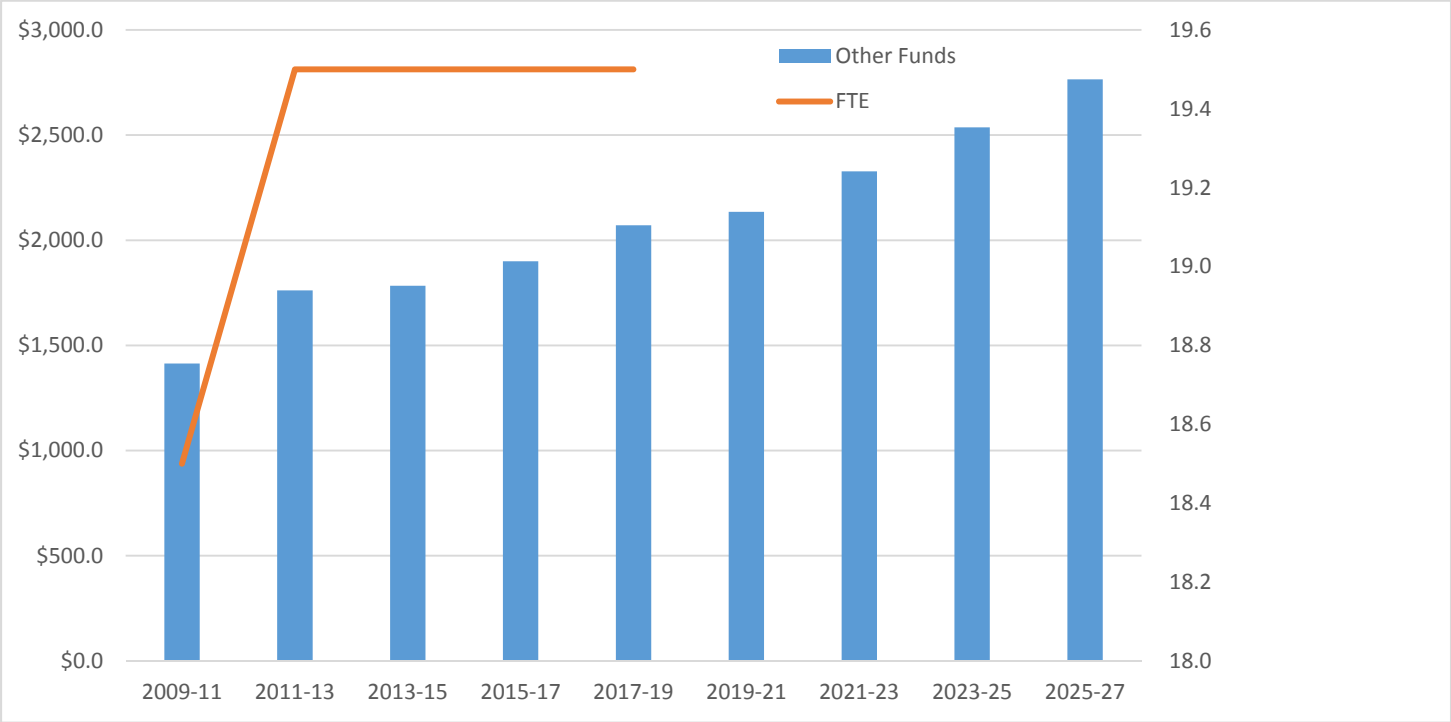
Cross Reference Name: Health Policy & Analytics
Cross Reference Number: 44300-030-02-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Other Revenues	-	-	22,983,343	-	-	-	22,983,343
Total Revenues	**-**	**-**	**$22,983,343**	**-**	**-**	**-**	**$22,983,343**
Services & Supplies							
Professional Services	-	-	22,983,343	-	-	-	22,983,343
Total Services & Supplies	**-**	**-**	**$22,983,343**	**-**	**-**	**-**	**$22,983,343**
Total Expenditures							
Total Expenditures	-	-	22,983,343	-	-	-	22,983,343
Total Expenditures	**-**	**-**	**$22,983,343**	**-**	**-**	**-**	**$22,983,343**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

OREGON HEALTH AUTHORITY: PUBLIC EMPLOYEES' BENEFIT BOARD

Program Unit Executive Summary

Long Term Focus Areas: Safer, Healthier Communities, Excellence in State Government
Primary contact: Kathy Loretz, Director,
503-373-0800

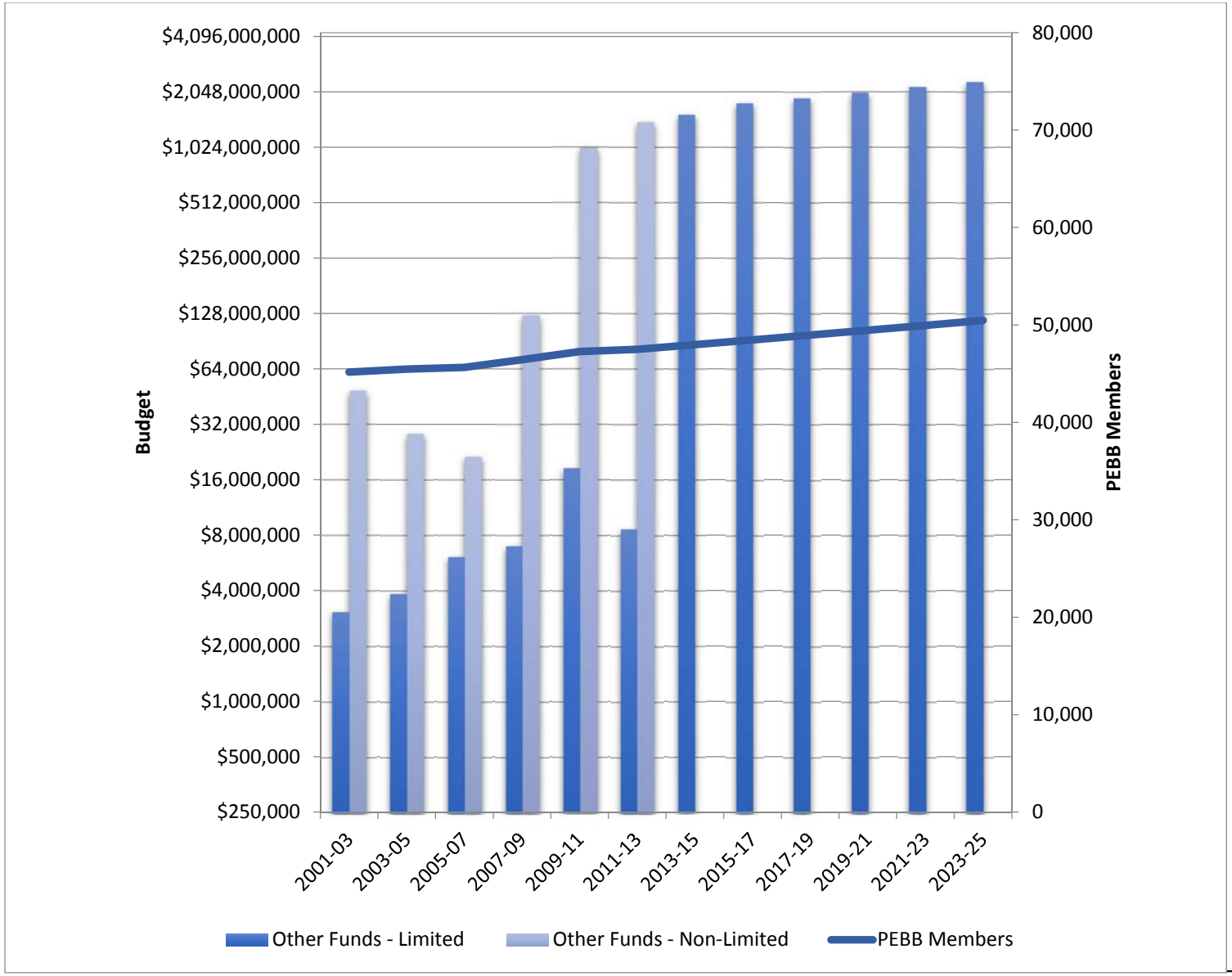


Program overview

The Public Employees' Benefit Board (PEBB) provides high-quality insurance and other employee benefit options at a cost affordable to employees and the state. Insurance benefits are a part of employees' total compensation package and an important tool in hiring and retaining high-quality personnel.

Program funding request

The 2017-2019 PEBB Agency Request Budget includes the Stabilization Fund budget for expenditures related to PEBB's self-insured and fully insured plans as well as PEBB's Operating budget. All PEBB expenditures are categorized as Other Funds Limited. PEBB's Stabilization Fund budget expenditure growth is capped at 3.4 percent annually by the Legislature on a per employee-per-month (PEPM) basis. PEBB has managed to stay within the 3.4 percent PEPM budget through the first three plan years. PEBB exceeded its limitation budget in the 2013-2015 biennium due to significantly higher enrollment volume than was anticipated during budget development. The 2017-2019 Agency Request Budget also is built on a PEPM basis. The limitation will be determined with assumptions on enrollment volume. More enrollees means more money for PEBB's budget. The PEBB Board receives quarterly updates on PEBB's budget status.


$4,096,000,000
$2,048,000,000
$1,024,000,000
$512,000,000
$256,000,000
$128,000,000
$64,000,000
$32,000,000
$16,000,000
$8,000,000
$4,000,000
$2,000,000
$1,000,000
$500,000
$250,000
Budget
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
PEBB Members
2001-03
2003-05
2005-07
2007-09
2009-11
2011-13
2013-15
2015-17
2017-19
2019-21
2021-23
2023-25
Other Funds - Limited
Other Funds - Non-Limited
PEBB Members

Program description

With a staff of about 20, PEBB designs, contracts for and administers health plans, group policies and flexible spending accounts for PEBB members. More than 130,000 Oregonians are PEBB members. They include active employees, spouse and domestic partner dependents, child dependents up to age 26, and adult children with disabilities over age 26, from: state agencies, universities, Lottery and semi-independent agencies, and local governments and special districts. PEBB provides some bilingual and multilingual staff support and uses an interpreter service line for callers who speak languages not supported by staff.

PEBB offers core benefits including: Medical, Dental, Vision and Life Insurance

Optional Benefits include: Life Insurance, Accidental Death & Dismemberment, Long Term Disability, Short Term Disability, and Long Term Care

PEBB's benefit package also includes: flexible spending accounts (health care, dependent care), commuter accounts, continuing coverage for early retirees, and COBRA.

Program justification and link to long term outcomes

Oregon Health Authority's vision of a healthy Oregon and Improving Member Health

PEBB supports the Oregon Health Authority's goal to transform the health care system in Oregon and to fundamentally improve how care is paid for and delivered. This transformation process focuses on health and preventive care for everyone and reducing waste in the health care system. In 2012 PEBB adopted the triple aim as one of the program's guiding principles. The triple aim includes three clearly established goals of providing better health and better care at an affordable cost.

PEBB believes the coordinated care model (CCM) is essential for achieving success in these goals. As a result, in 2013 PEBB conducted a Request for Proposal (RFP) for comprehensive medical and pharmacy services. PEBB sought to:

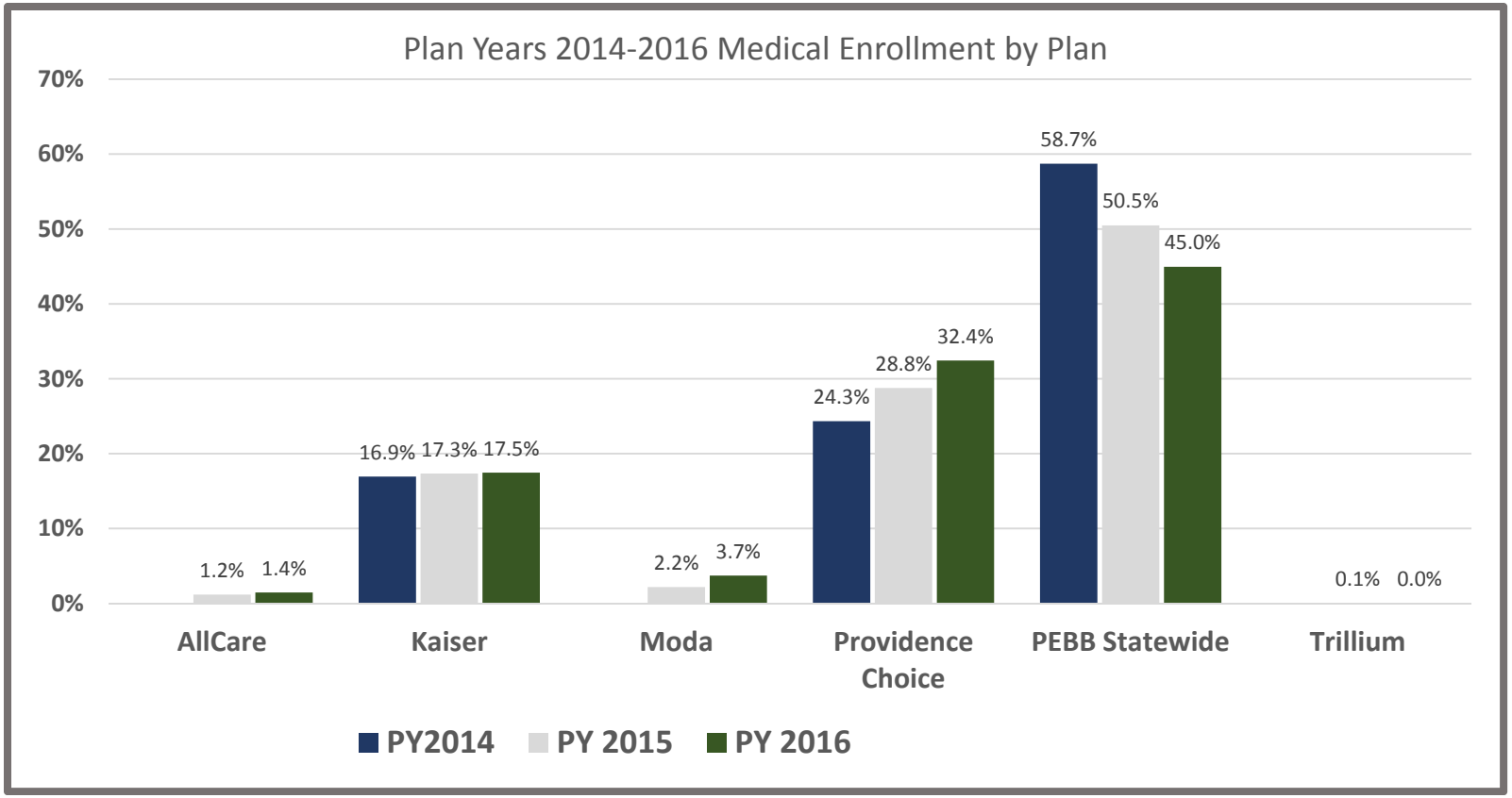
- Transform the delivery system in a new way for better efficiency, value and health outcomes, placing employees and their families at the center of their care

- Ensure that members' care is coordinated across the continuum and that quality and financial incentives are more aligned throughout the delivery system
- Advance the patient-centered primary care home structure by finding health care partners to help us achieve better health outcomes and offer patient-centered programs with demonstrated success
- Support health equity, diversity and inclusion through our health care partners

In 2015, PEBB added regional "systems of care" throughout the state to provide members improved, more integrated care at an affordable cost. Regional "systems of care" focus on primary care and prevention and encourage members to share in the responsibility for their own health outcomes.

PEBB supports prevention and member wellness by offering members no-cost programs through carrier contracts and direct vendor contracting. Programs include:

- Better Choices Better Health helps people living with a chronic condition to live healthier lives
- Employee Assistance Program (EAP) provides emotional, social and financial health services
- Healthy Team Healthy U offers members a foundation of knowledge and skills to help members live a healthier lifestyle
- MoodHelper online tool helps members overcome depression
- StayFit Rewards a subsidy program that helps members pay for qualified fitness and exercise centers
- Tobacco Cessation helps members overcome tobacco use
- Weight Watchers is designed to help members achieve their weight loss goals and maintain them


Plan Years 2014-2016 Medical Enrollment by Plan
70%
60%
50%
40%
30%
20%
10%
0%
1.2%
1.4%
16.9%
17.3%
17.5%
2.2%
3.7%
24.3%
28.8%
32.4%
58.7%
50.5%
45.0%
0.1%
0.0%
AllCare
Kaiser
Moda
Providence Choice
PEBB Statewide
Trillium
PY2014
PY 2015
PY 2016

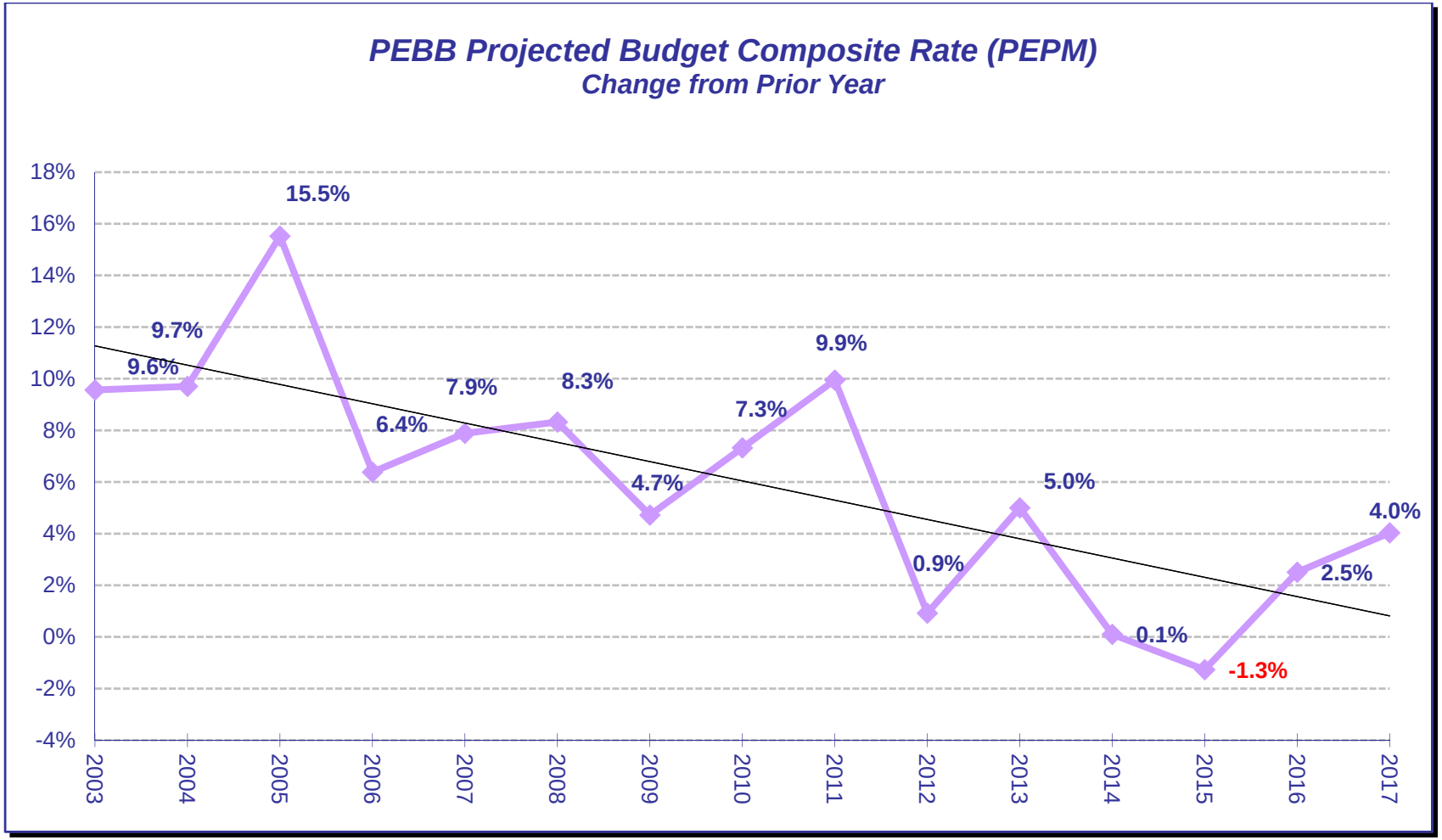
Program performance

- PEBB offers members in all 36 Oregon counties choice between the statewide Preferred Provider Organization (PPO) plan and at least one or more regional "system of care" plan
- Most plan choices are available at a lower cost to both members and the state
- Plans are required to meet and report high quality measures of care by:
    - Prioritizing health and prevention services
    - Managing costs by cutting waste and requiring health plans and providers to be efficient, coordinated and focused on the patient
    - Emphasizing behavioral health in addition to physical health

The PEBB 2016 medical plans:

- Offer the first four visits to primary care, with no deductible
- Cover the full cost of certain chronic condition and substance abuse visits, with no deductible, copayment or coinsurance
- Cover nationally recommended preventive services
- Limit out-of-pocket costs:
    - $ 600 per person, up to $1,200 per family – Kaiser
    - $1,500 per person, up to $4,500 per family – all other plans

PEBB also offers non-traditional and culturally responsive benefits and services, e.g., the use of doulas and other traditional health workers, Christian Science and Native American healers and alternative care such as acupuncture and spinal manipulation services.


PEBB Projected Budget Composite Rate (PEPM)
Change from Prior Year
18%
16%
14%
12%
10%
8%
6%
4%
2%
0%
-2%
-4%
9.6%
9.7%
15.5%
6.4%
7.9%
8.3%
4.7%
7.3%
9.9%
0.9%
5.0%
0.1%
-1.3%
2.5%
4.0%
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017

Addressing health care inflation and implementing cost containment measures: The escalating cost of care drives industry trend affecting PEBB premium costs. PEBB's move to self-insurance has alleviated the impact of the rapid rise of market trend and resulted in containing costs by:

- Increasing PEBB membership in patient-centered primary care homes
- Implementing additional cost tiers to promote value-based benefits
- Implementing benefit design changes aimed at reducing barriers to care for members with chronic diseases
- Employing cost-effective, sustainable technologies
- Achieving better cost and quality controls through direct contracting
- Maintaining a leadership role in value-based health care as a purchaser of commercial medical plans

Enabling legislation/program authorization

The Public Employees' Benefit Board authority lies in ORS 243.061 through ORS 243.302. House Bill 2279 (2013) expands participation eligibility to include local governments and special districts.

Funding streams

Since 2013 all premiums paid for PEBB benefit plans flow through PEBB before passing through to vendors. PEBB receives Other Fund dollars from agencies, universities and self-pay members to directly cover the costs of self-insured plan members. PEBB self-insures 85 percent of members for medical coverage. These moneys are used dollar for dollar to pay member medical, vision and dental claims, for insurance carriers' administrative fees, and other federal and state fees. In 2016, the average administrative fee paid to PEBB's self-funded plan administrators was less than 5 percent of premium. The "administrative services only" (ASO) fee PEBB pays for medical plans was reduced in 2016 after being held steady for more than five years.

By statute, PEBB can collect an amount that equals up to 2 percent of total premiums to meet administrative and operational costs. In 2015, the PEBB Board voted to reduce its administrative fee from 0.4 percent to 0.36 percent.

Significant proposed program changes from 2015-2017

The following legislative concepts are being proposed:

- Allow collective bargaining units that represent police officers and firefighters to enroll in OEBB and PEBB plans. Some counties have been unable to join due to this designation.
- Treat long-term care insurance as all other optional benefits. PEBB would have the ability to offer the plan if they chose to do so, but it would not be mandated. Employees currently pay 100 percent of cost.
- Add the same proposal confidentiality provision to PEBB and OEBB statutes that is already included in the public contracting code. This would put PEBB and OEBB on equal footing with most other agencies and programs.

OREGON HEALTH AUTHORITY: PUBLIC EMPLOYEES' BENEFIT BOARD

Program Unit Narrative: Public Employees' Benefit Board

	General	Other/Lottery	Federal	Total Fund	Pos.	FTE
Leg. Approved 15-17	$ -	$ 1,783.5	$ -	$ 1,783.5	20	19.50
Agency Request 17-19	$ -	$ 1,899.9	$ -	$ 1,899.9	20	19.50
Difference	$ -	$ 116.4	$ -	$ 116.4	0	0.00
Percent Change	0%	7%	0%	7%	0%	0%

Activities, program and issues in the program unit base budget that may require further explanation than allowed in the Program Unit Executive Summary

The Public Employees' Benefit Board (PEBB) supports the Oregon Health Authority's (OHA) goal to transform the health care system in Oregon and to fundamentally improve how care is paid for and delivered. This transformation process focuses on health and preventive care for Oregonians and reducing waste in the health care system. Critical steps to successful transformation include:

Member engagement and education:

- Helping members understand the value of better care coordination
- Providing culturally and linguistically appropriate outreach and target messaging related to specific health conditions and traditionally underserved populations
- Encouraging members to fully utilize available health and wellness programs to improve their health and reduce health risks

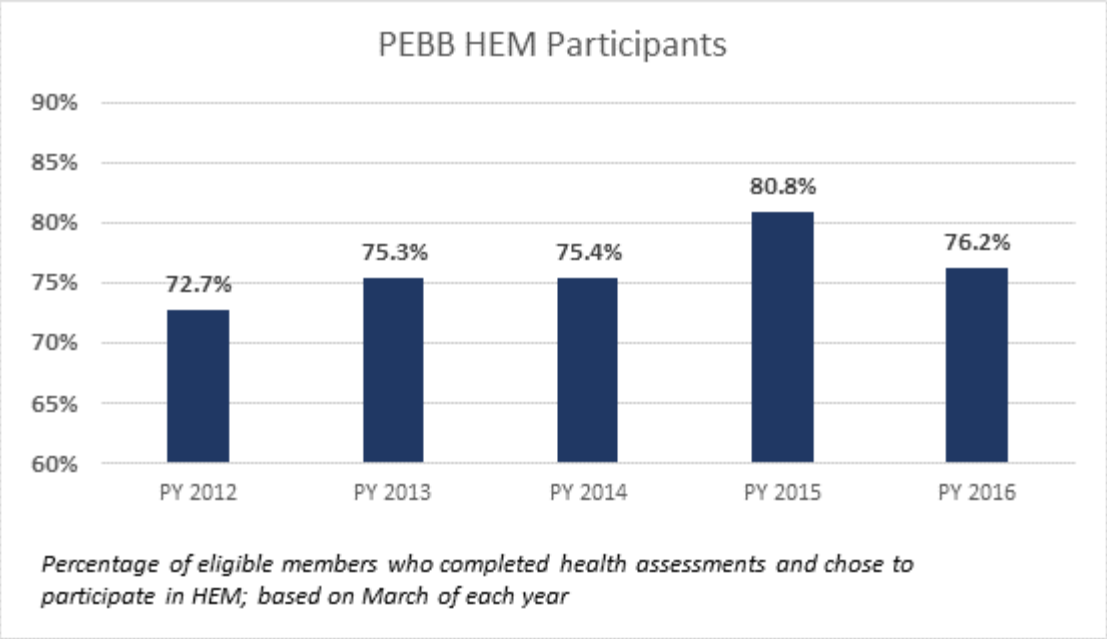
Promoting member health and using health care resources wisely and in a culturally and linguistically responsive manner by:

- Reducing barriers, including those experienced by traditionally underserved populations, for certain chronic condition and substance abuse care
- Promoting chronic care self-management
- Providing no-cost preventive care on all medical plans
- Working with local, regional and national purchasers on value-based benefit designs

Offering members opportunities to improve their health and contain costs through participation in the Health Engagement Model (HEM) program.

- HEM allows program participants the opportunity to learn more about their own personal health risks and how to reduce them
- Participants earn financial incentives by annually completing:
    - A private health assessment on their carrier's secure website, and
    - Two health-related activities
- Ideally, once the participant completes the assessment and identifies personal health risks, the assessment serves as an important tool to help members have a conversation with their health care provider that will lead the member down their own personal road to wellness
- PEBB offers an exemption to members who indicate they are not able to complete the health assessment

PEBB is working with carriers to improve the health assessment tool to include "transgender" as a demographic selection option to be more inclusive to this population. More work is needed to make the tool truly useful in identifying health risks members identifying as transgender.



At this time we only capture race and ethnicity. We could potentially add a "language" field in our benefits system. Disability would be harder to capture with any accuracy.

<u>Alignment with the Oregon Health Authority and modifying carrier and vendor contracts to implement:</u>

- Provider quality measures reporting
- Simplified claims billing and payment administration
- Meaningful use of electronic medical records
- C-section delivery rate reduction
- Contracting with health systems accountable for performance
- Carrier accountability for promoting the delivery of culturally competent health care and health equity
- Enhanced accessibility for members
- Increased use of decision support tools
- Best practices to manage and coordinate care

- Sharing responsibility for health
- Measuring performance
- Paying for outcomes and health
- Sustainable rate of growth

Implementing value-based benefits:

- Low or no member cost for effective treatments with lower risk or lower cost:
    - no or lowered cost for chronic-care visits
    - no cost for in-network substance abuse services
    - no or lowered cost for value-based drugs
- Higher member cost for less-effective treatments with higher risk or higher cost:
    - additional copay for advanced imaging technologies, sleep studies and upper endoscopies
    - additional copay for spinal and total joint replacement surgery

Maintain programs designed to address risks related to:

- Tobacco use – the percentage of PEBB members who smoke continues to be well below the statewide level
- Obesity – PEBB member obesity has dropped
- Diabetes
- Depression and anxiety
- Other chronic conditions

Any additional important background for decision makers that is not mentioned above. Include trends in caseload, workload or other external factors that may influence the operation of the program

Major program challenges:

Controlling premium costs

Premium costs are affected by external drivers, such as:

- Inflation in health care costs
- Aging populations
- About 10 percent of population with chronic conditions
- Majority have sedentary occupations
- PEBB members continue to migrate to coordinated care model plans year over year; however, 45 percent are still enrolled in the statewide preferred provider organization, the plan that offers least amount of coordinated care

Process improvement efforts:

Shared functions serving PEBB and OEBB

In an effort to address staffing issues, provide program cross-training and support, and streamline business processes, PEBB and the Oregon Educators Benefit Board (OEBB) have implemented a shared services strategy in the areas of:

- Budget
- Accounting
- Contracts
- Communication

Program administration

In an effort to improve customer service results and reduce program costs, PEBB rebranded its exercise program to the StayFit Rewards program and moved administration in-house in January 2016.

ACA administration and support

Federal law (26 U.S. Code Section 6056) mandates that certain employers report on health insurance coverage. Employers that offer employer-sponsored self-insured coverage use Form 1095-C to report information to the IRS and to employees about individuals who meet the individual shared-responsibility mandate by having minimum essential coverage under the employer plan.

For self-insured plans, PEBB successfully:

- Collected Social Security numbers from members, spouses, domestic partners and child dependents
- Contracted with a third party vendor for software and mailing services
- Facilitated form printing
- Completed and mailed the 1095-C forms in 2016

2017-2019 planning and program priorities:

Implement new premium tier structure

With additional aspects of the Affordable Care Act set to go into effect in 2020, PEBB is implementing changes to its premium tier structure to avoid exposure to the Excise Tax.

Pharmacy plan design assessment

Beginning in late 2016 the PEBB Board will begin to reassess all pharmacy plan designs to ensure PEBB offers high-quality coverage at a cost affordable to both the employer and employees. By the end of 2016, the board will:

- Develop culturally and linguistically responsive strategies and tactics for the assessment and redesign process
- Provide education; subject matter expert testimony to board
- Assess the specific impact of explosive cost increases of specialty medications
- Collect public comment, ensuring a diverse cross-section and community engagement
- Initiate board evaluation of pharmacy plan designs
- Select and vote on pharmacy plan design changes for 2018 renewal

In 2017 the board will work with carriers to negotiate the board-approved plan design changes and by June will finalize the new plan designs for the 2018 renewal.

HEM strategies

The PEBB Member Advisory Committee (PMAC) is beginning to evaluate and explore opportunities to update the program, improve health outcomes and increase member participation. Throughout this process PEBB and PMAC will:

- Evaluate vendor health assessments and develop strategies to address assessment and risk criteria for people who identify as transgender and other traditionally underserved populations such as ethnically and linguistically diverse populations
- Engage members in evaluating the program; consider program changes and enhancements based on feedback
- Engage the board in program improvement strategies
- Identify outcome goals and develop performance measures
- Develop a communication plan and design communications that promote member involvement in achieving health outcome goals

Metrics and outcome reporting implementation

PEBB staff will:

- Continue working with carriers to refine contractual performance metrics reporting and analysis
- Develop and implement appropriate outcome measures and reporting
- Continue to collect data on race and ethnicity and evaluate timeline by which to add language and disability demographic data elements to PEBB.Benefits, the PEBB benefit management system

Additional budget drivers

- Legislative cap on premium rate increases: The PEBB Board will continue to work with carriers to explore strategies to keep renewal rate increases at or below the 3.4 percent increase cap established by the Legislature
- Implementing benefit mandates as required

Revenue sources and proposed revenue changes. For Lottery Funds, Other Funds, and Federal Funds revenues

Other Funds revenue pays for PEBB administration through an administrative assessment added to medical and dental insurance premiums and premium equivalents. By statute (ORS 243.185), PEBB can collect an amount that equals up to 2 percent of total premiums to meet administrative and operational costs. In 2011 PEBB reduced the assessment from 0.6 to 0.4 percent and maintained this rate until 2015. In 2015 the PEBB Board voted to further reduce its administrative fee from 0.4 percent to 0.36 percent.

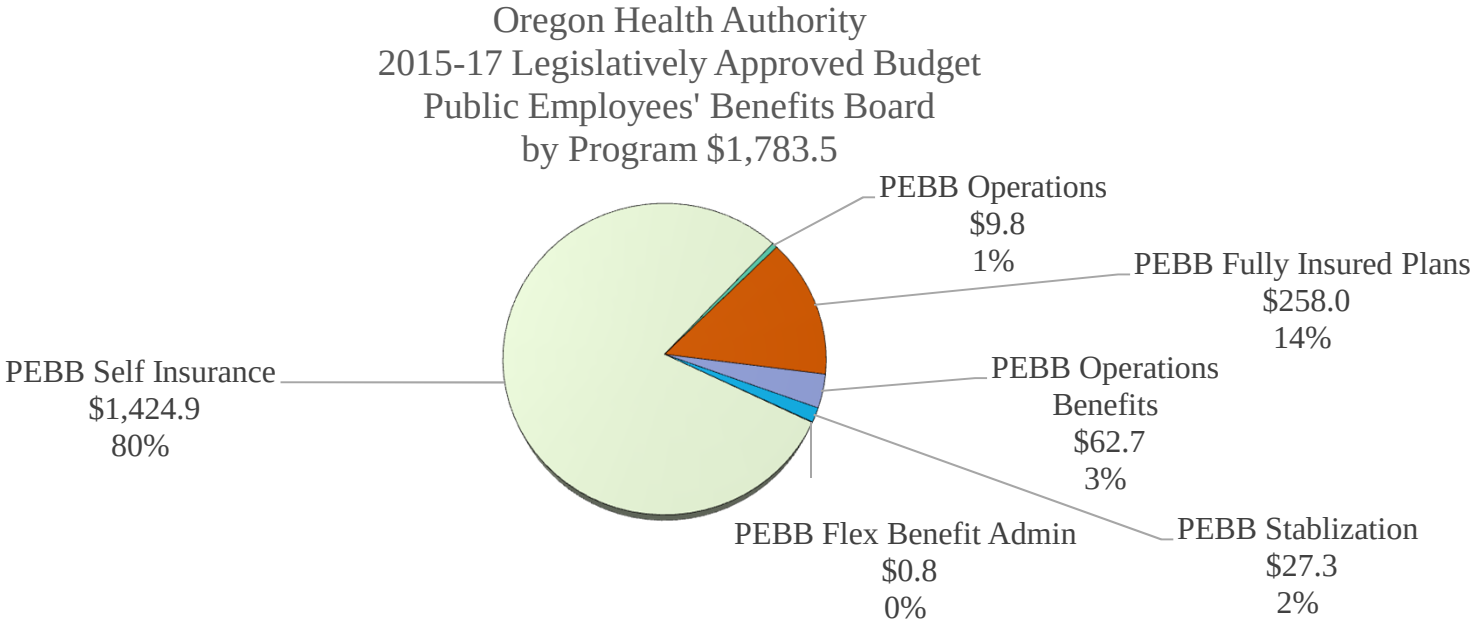
PEBB maintains two accounts within its **Revolving Fund**.

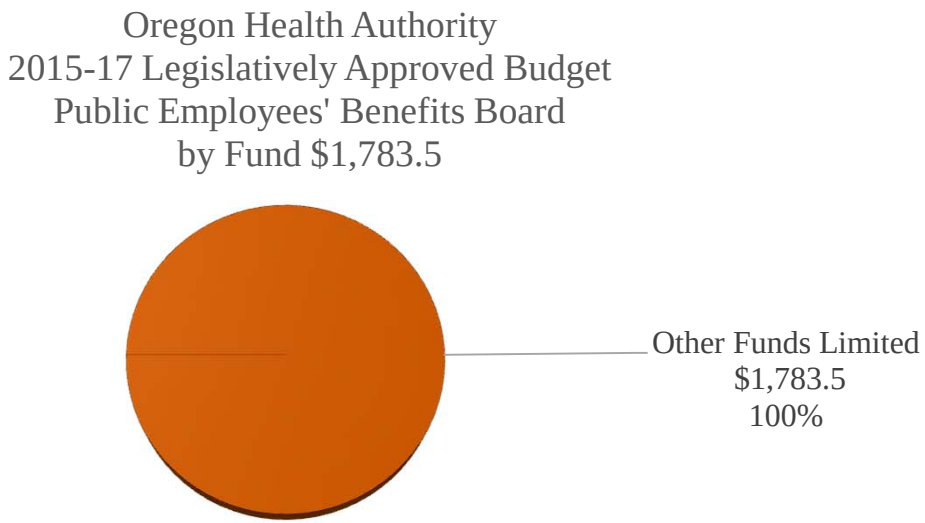
- Stabilization Account: PEBB has authority to use this account to control costs, subsidize premiums and self-insure. The primary source of Other Funds revenue is unused employer contributions for employee benefits. This account also holds proceeds generated when PEBB's life insurance carrier changed from a mutual organization to a public corporation.
- Flexible Spending Account: PEBB operates two flexible-spending-account programs and two commuter programs for employees and maintains an account for their administrative costs. The primary Other Funds revenue source for these programs is forfeitures from participants.

Proposed new laws that apply to the program unit

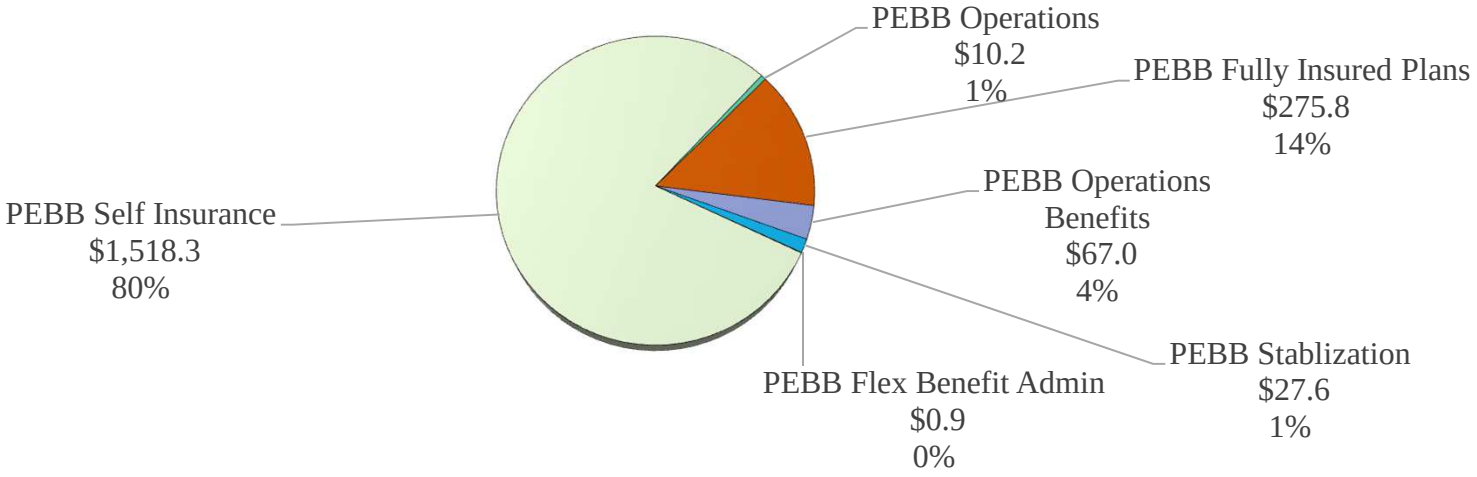
The following legislative concepts are being proposed:

- Allow collective bargaining units that represent police officers and firefighters to enroll in OEBB and PEBB plans. Some counties have been unable to join due to this designation.
- Treat long-term care insurance as all other optional benefits. PEBB would have the ability to offer the plan if they chose to do so, but it would not be mandated. Employees currently pay 100 percent of cost.
- Add the same proposal confidentiality provision to PEBB and OEBB statutes that is already included in the public contracting code. This would put PEBB and OEBB on equal footing with most other agencies and programs.

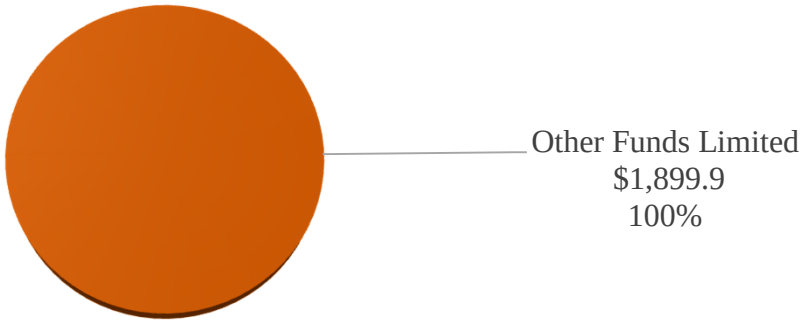

Oregon Health Authority
2015-17 Legislatively Approved Budget
Public Employees' Benefits Board
by Program $1,783.5
PEBB Operations
$9.8
1%
PEBB Fully Insured Plans
$258.0
14%
PEBB Operations
Benefits
$62.7
3%
PEBB Stablization
$27.3
2%
PEBB Flex Benefit Admin
$0.8
0%
PEBB Self Insurance
$1,424.9
80%


Oregon Health Authority
2015-17 Legislatively Approved Budget
Public Employees' Benefits Board
by Fund $1,783.5
Other Funds Limited
$1,783.5
100%

Public Employees' Benefits Board by Program $1,899.9



Public Employees' Benefits Board by Fund $1,899.9



Oregon Health Authority Public Employees Benefit Board 44300-030-03-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
GENERAL FUND					
REVENUES					
General Fund Appropriation	0050	GF	-	-	-
TOTAL REVENUES		**GF**	**-**	**-**	**-**
TOTAL GENERAL FUNDS		**GF**	**-**	**-**	**-**
OTHER FUNDS					
REVENUES					
Beginning Balance	0025	OF	351,860,991	-	2,135,435,978
Beginning Balance Adjustment	0030	OF	-	344,000,000	-
Administrative Service Charges	0415	OF	1,542,140,044	1,754,518,197	1,870,607,820
Interest Income	0605	OF	6,496,291	4,961,244	4,961,244
Other Revenues	0975	OF	169,679,475	24,045,782	24,364,766
TOTAL REVENUES		**OF**	**2,070,176,801**	**2,127,525,223**	**4,035,369,808**
TRANSFER IN					
Transfer in Intrafund	1010	OF	165,430,687	-	-
TOTAL TRANSFERS IN		**OF**	**165,430,687**	**-**	**-**
TRANSFER OUT					
Transfer to Intrafund	2010	OF	(234,393,269)	-	-
Transfer to General Fund	2060	OF	-	(120,000,000)	-
TOTAL TRANSFERS OUT		**OF**	(234,393,269)	-	-
TOTAL OTHER FUNDS		**OF**	**2,001,214,219**	**2,127,525,223**	**4,035,369,808**
TOTAL AVAILABLE REVENUES		**TF**	**2,001,214,219**	**2,127,525,223**	**4,035,369,808**

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Health Authority | **Agency Number: 44300**
2017-19 Biennium | **Cross Reference Number: 44300-030-03-00-00000**

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Other Funds						
Admin and Service Charges	1,477,612,330	-	1,754,518,197	1,870,607,820	-	-
Interest Income	4,553,060	-	4,961,244	4,961,244	-	-
Other Revenues	1,800,729	-	24,045,782	24,364,766	-	-
Transfer In - Intrafund	165,430,687	-	-	-	-	-
Transfer Out - Intrafund	(43,578)	-	-	-	-	-
Transfer to General Fund	-	-	(120,000,000)	-	-	-
Total Other Funds	**$1,649,353,228**	**-**	**$1,663,525,223**	**$1,899,933,830**	**-**	**-**
Nonlimited Other Funds						
Admin and Service Charges	64,527,714	-	-	-	-	-
Interest Income	1,943,231	-	-	-	-	-
Other Revenues	167,878,746	-	-	-	-	-
Transfer Out - Intrafund	(234,349,691)	-	-	-	-	-
Total Nonlimited Other Funds	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: Public Employees Benefit Board (PEBB)**

Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor | **Cross Reference Number: 44300-030-03-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Admin and Service Charges	-	-	59,625	-	-	-	59,625
Total Revenues	**-**	**-**	**$59,625**	**-**	**-**	**-**	**$59,625**
Personal Services							
Temporary Appointments	-	-	787	-	-	-	787
Overtime Payments	-	-	-	-	-	-	-
All Other Differential	-	-	19	-	-	-	19
Public Employees' Retire Cont	-	-	4	-	-	-	4
Pension Obligation Bond	-	-	13,334	-	-	-	13,334
Social Security Taxes	-	-	62	-	-	-	62
Mass Transit Tax	-	-	17,849	-	-	-	17,849
Vacancy Savings	-	-	27,570	-	-	-	27,570
Total Personal Services	**-**	**-**	**$59,625**	**-**	**-**	**-**	**$59,625**
Total Expenditures							
Total Expenditures	-	-	59,625	-	-	-	59,625
Total Expenditures	**-**	**-**	**$59,625**	**-**	**-**	**-**	**$59,625**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: Public Employees Benefit Board (PEBB)
Cross Reference Number: 44300-030-03-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Admin and Service Charges	-	-	64,821,641	-	-	-	64,821,641
Other Revenues	-	-	318,984	-	-	-	318,984
Total Revenues	**-**	**-**	**$65,140,625**	**-**	**-**	**-**	**$65,140,625**
Services & Supplies							
Instate Travel	-	-	887	-	-	-	887
Out of State Travel	-	-	167	-	-	-	167
Employee Training	-	-	734	-	-	-	734
Office Expenses	-	-	8,249	-	-	-	8,249
Telecommunications	-	-	3,583	-	-	-	3,583
Publicity and Publications	-	-	19,994	-	-	-	19,994
Professional Services	-	-	119,447	-	-	-	119,447
IT Professional Services	-	-	52,167	-	-	-	52,167
Attorney General	-	-	29,665	-	-	-	29,665
Employee Recruitment and Develop	-	-	143	-	-	-	143
Dues and Subscriptions	-	-	291	-	-	-	291
Facilities Maintenance	-	-	-	-	-	-	-
Food and Kitchen Supplies	-	-	-	-	-	-	-
Agency Program Related S and S	-	-	64,592,074	-	-	-	64,592,074
Other Services and Supplies	-	-	331	-	-	-	331
Expendable Prop 250 - 5000	-	-	1,795	-	-	-	1,795
IT Expendable Property	-	-	-	-	-	-	-
Total Services & Supplies	**-**	**-**	**$64,829,527**	**-**	**-**	**-**	**$64,829,527**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: Public Employees Benefit Board (PEBB)
Cross Reference Number: 44300-030-03-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Capital Outlay							
Technical Equipment	-	-	-	-	-	-	-
Total Capital Outlay	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Special Payments							
Other Special Payments	-	-	311,098	-	-	-	311,098
Spc Pmt to Consumer/Bus Svcs	-	-	-	-	-	-	-
Total Special Payments	**-**	**-**	**$311,098**	**-**	**-**	**-**	**$311,098**
Total Expenditures							
Total Expenditures	-	-	65,140,625	-	-	-	65,140,625
Total Expenditures	**-**	**-**	**$65,140,625**	**-**	**-**	**-**	**$65,140,625**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Public Employees Benefit Board (PEBB)
Cross Reference Number: 44300-030-03-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Admin and Service Charges	-	-	1,852,550	-	-	-	1,852,550
Total Revenues	**-**	**-**	**$1,852,550**	**-**	**-**	**-**	**$1,852,550**
Services & Supplies							
Agency Program Related S and S	-	-	1,852,297	-	-	-	1,852,297
Total Services & Supplies	**-**	**-**	**$1,852,297**	**-**	**-**	**-**	**$1,852,297**
Special Payments							
Other Special Payments	-	-	253	-	-	-	253
Total Special Payments	**-**	**-**	**$253**	**-**	**-**	**-**	**$253**
Total Expenditures							
Total Expenditures	-	-	1,852,550	-	-	-	1,852,550
Total Expenditures	**-**	**-**	**$1,852,550**	**-**	**-**	**-**	**$1,852,550**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 033 - Exceptional Inflation

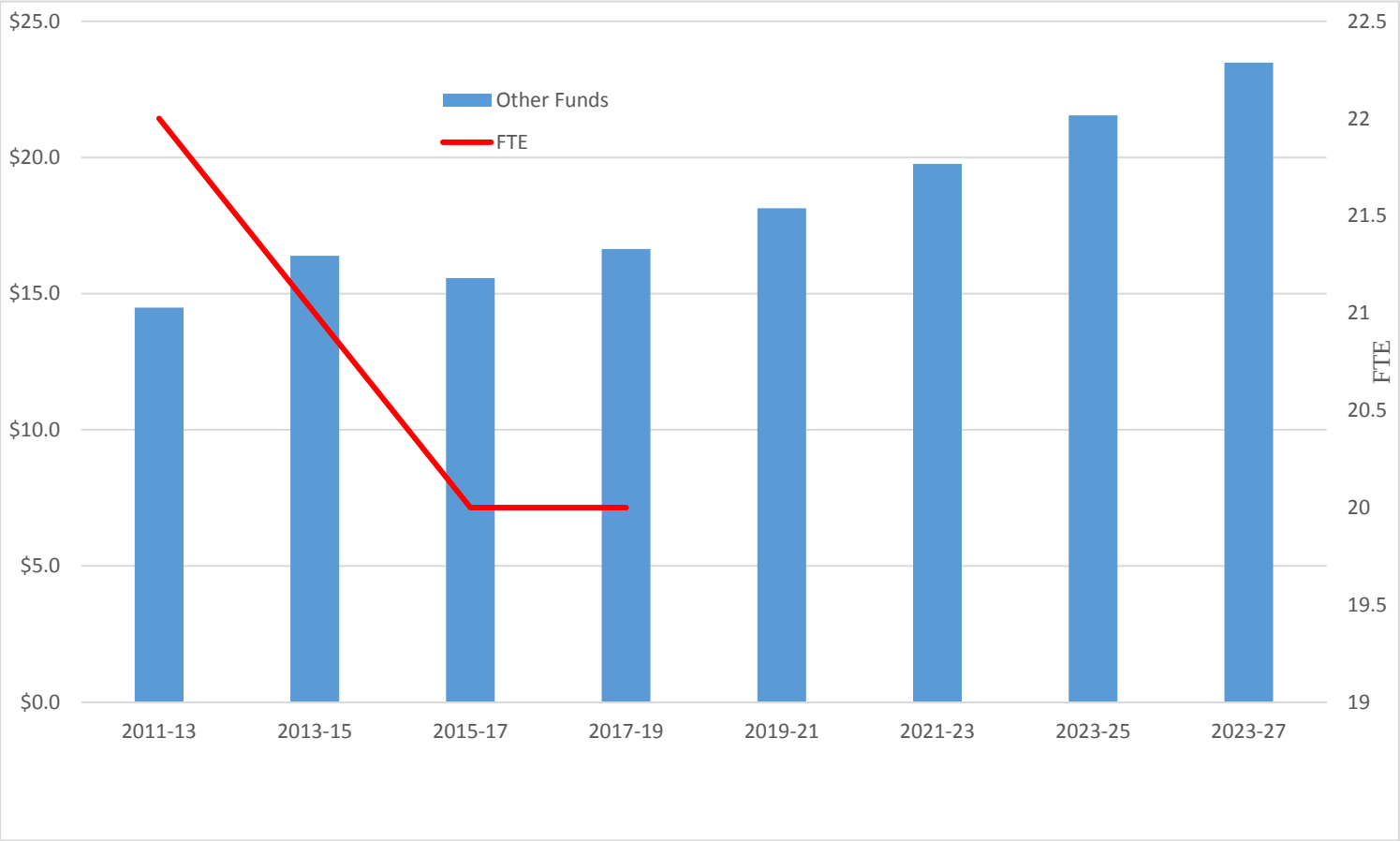
Cross Reference Name: Public Employees Benefit Board (PEBB)
Cross Reference Number: 44300-030-03-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Admin and Service Charges	-	-	49,223,587	-	-	-	49,223,587
Total Revenues	**-**	**-**	**$49,223,587**	**-**	**-**	**-**	**$49,223,587**
Services & Supplies							
Agency Program Related S and S	-	-	49,205,777	-	-	-	49,205,777
Total Services & Supplies	**-**	**-**	**$49,205,777**	**-**	**-**	**-**	**$49,205,777**
Special Payments							
Other Special Payments	-	-	17,810	-	-	-	17,810
Total Special Payments	**-**	**-**	**$17,810**	**-**	**-**	**-**	**$17,810**
Total Expenditures							
Total Expenditures	-	-	49,223,587	-	-	-	49,223,587
Total Expenditures	**-**	**-**	**$49,223,587**	**-**	**-**	**-**	**$49,223,587**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

OREGON HEALTH AUTHORITY: OREGON EDUCATORS BENEFIT BOARD

Program Unit Executive Summary

Long Term Focus Areas: Safer, Healthier Communities, A Seamless System of Education, Excellence in State Government
Primary contact: James Raussen, Director



Program overview:

The Oregon Educators Benefit Board (OEBB) administers medical, dental, vision and other benefit plans for Oregon's school and education service districts, and since 2013 cities, counties and special districts as well. A *Seamless System of Education* requires a stable workforce, which includes recruitment and retention. Competitive insurance benefits are a part of employees' total compensation package and an important tool in hiring and retaining quality personnel.

OEBB's Mission is to:

- Work collaboratively to improve members' health and well-being through affordable health care with optimum results and service

Program funding request

OEBB's proposal requests funding at the 2015-2017 biennium level plus allowed inflation factors and cost growth for OEBB medical premiums at 3.4 percent for the 2016-2017 plan year and 3.4 percent for the 2017-2019 plan year. This will allow the program to continue to achieve the goals set forth in the guiding principles adopted by the OEBB Board, and continue to promote and advance health care transformation in Oregon. The program goals are described in the program description section. Estimated costs through the 2023-2025 biennium are trended forward using the inflation factors prescribed by Oregon Health Authority Office of Budget, Planning and Analysis. OEBB anticipates this funding level will allow it to continue to provide its current members a high level of customer service and continued access to reliable, high-quality and lower-cost health care through use of providers certified by OHA as patient centered primary care homes (PCPCHs) and recognized providers under coordinated care model health plans. The requested funding level also will allow OEBB to continue to promote ongoing improvement in the health of its more than 150,000 members enrolled in at least one OEBB benefit plan, making a major contribution to the overall health of Oregonians.

Program description

With a staff of 20, OEBB serves more than 150,000 members (employees and early retirees and their family members) in more than 250 publicly funded entities throughout Oregon. They include nearly all school districts, education service districts and

community colleges, numerous charter schools and some counties and special districts. OEBB serves its members and entities year-round. Activity significantly increases during the annual renewal and open enrollment periods. OEBB provides some bilingual and multilingual staff support and uses an interpreter service line for callers speaking other languages not supported by staff.

OEBB designs and maintains a full range of benefit plans for eligible and participating publicly funded entities to offer to their employees and early retirees. Plans include medical, dental, vision, life, disability, accidental death and dismemberment, long term care, an employee assistance program, a health savings account and flexible spending accounts. OEBB also maintains an online benefit enrollment system (MyOEBB), and carries out the wide range of duties required of a program that coordinates insurance coverage and other benefits for a large, statewide pool of public employees.

OEBB works closely with its contracted carrier and vendor partners, the Public Employees' Benefit Board (PEBB), the Oregon Health Authority, Oregon Health Policy Board, the Governor's Office, participating publicly funded entities and its 150,000-plus members.

Program Justification and Link to Long Term Outcomes:

Oregon Health Authority's vision of a healthy Oregon and Improving Member Health by:

OEBB has one major cost driver – rising health care costs. OEBB believes the coordinated care model is essential for achieving success in addressing health care costs. As a result, OEBB is conducting a Request for Proposal for comprehensive medical, pharmacy and vision services for the 2017-2018 plan year. OEBB also continues to work closely with its carrier partners to develop and pilot alternative delivery and payment methods that align with OEBB goals and the triple aim of better health, better care, lower cost.

OEBB continues to expand access to patient centered primary care homes (PCPCHs) and provide an incentive (in the form of reduced out-of-pocket costs for office visits) to encourage members in OEBB's traditional preferred provider organization (PPO) medical plans to use a PCPCH as their primary care provider.

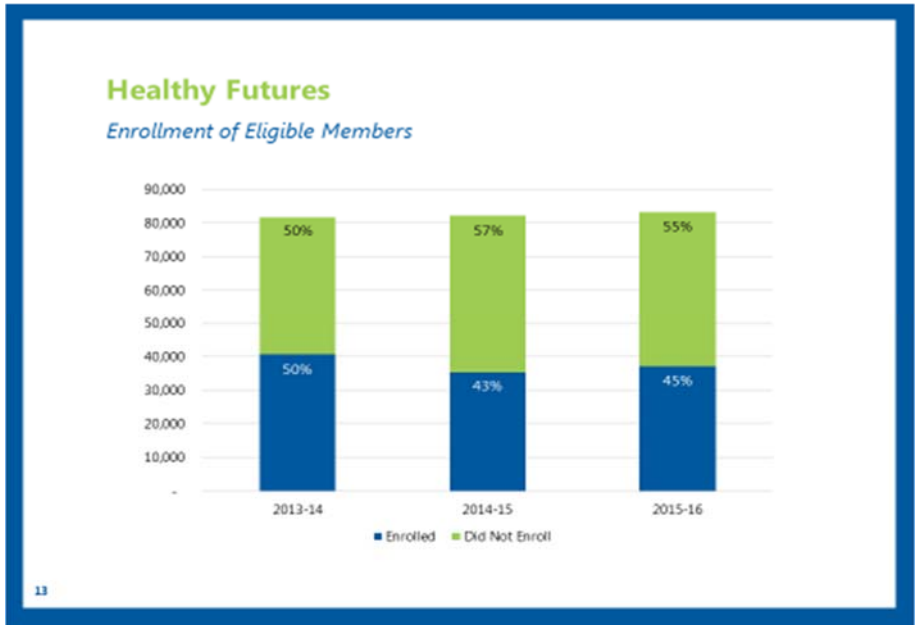
OEBB has implemented alternative payment models to help reduce costs. These included reference-based pricing programs for several major surgeries and certain oral appliances; steps to reduce the cost of dialysis treatments for members; and better coordination of health care for some members with costly multiple chronic conditions.

OEBB offers non-traditional and culturally responsive benefits and services, e.g., acupuncture, the use of doulas and other traditional health workers, etc. The program also pays for services provided in non-traditional settings to increase access for members. Examples include payment for home birth, tele-medicine, mail order pharmacy, some home lab testing, and ambulatory surgical centers.

Beginning with the 2013-2014 plan year, OEBB implemented the Healthy Futures program. This program encourages members to learn more about their own health and health risks and to take action to reduce or eliminate those risks. Participants receive a $100 deductible credit on their PPO model medical plans, or the equivalent in copayment credits if they are in a health maintenance organization (HMO) model medical plan.

For the 2015-2016 plan year, the OEBB Board authorized:

- A new gym reimbursement program, Fitness Rewards
- An online program to help people dealing with chronic conditions, Better Choices, Better Health
- A new diabetes prevention program effective October 2016
- Changes to the Health Futures program in order to improve member participation



* Because program changes were implemented during the 2015-2016 enrollment period, the first plan year will serve as the baseline for enrollment

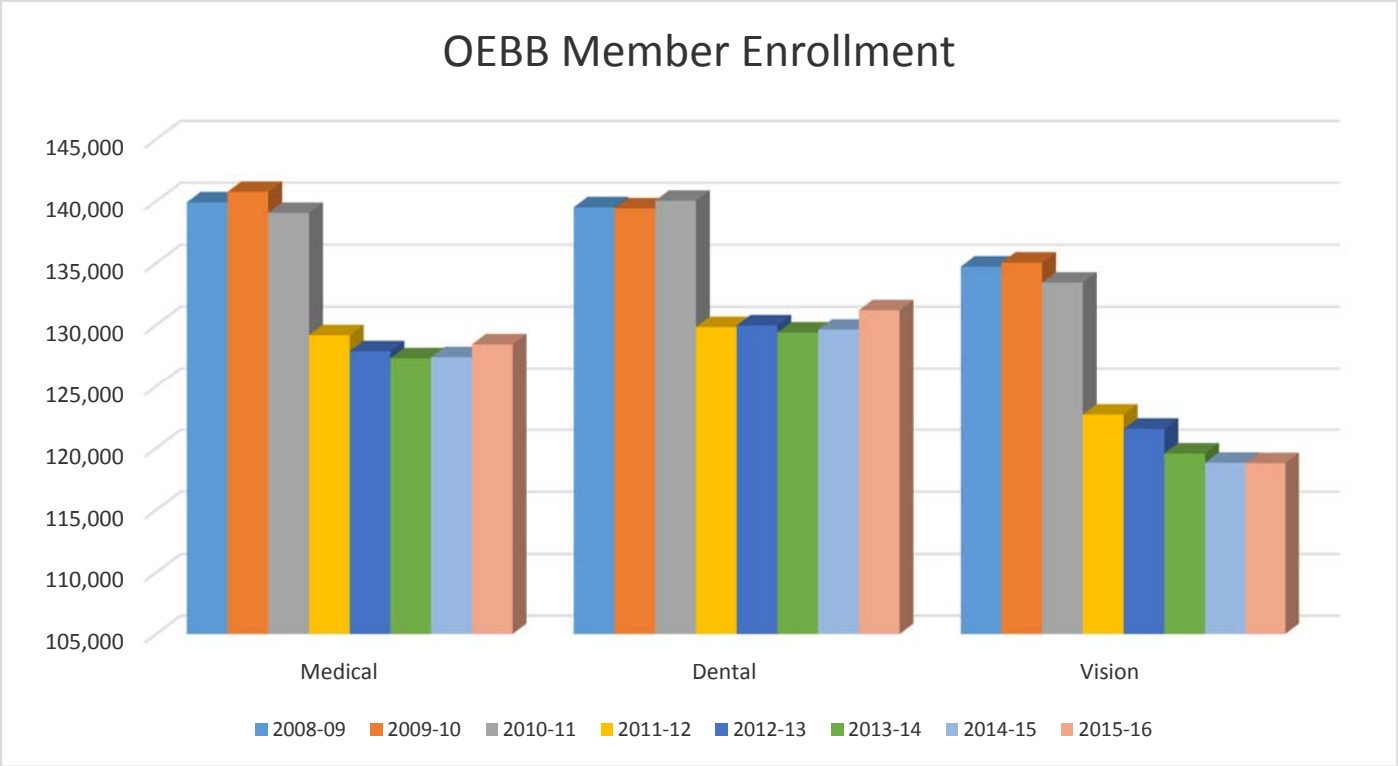
OEBB supports the Oregon Health Authority's goal to transform the health care system in Oregon and to fundamentally improve how care is paid for and delivered. This transformation process focuses on health and preventive care for Oregonians and reducing waste in the health care system.

OEBB believes the coordinated care model (CCM) is essential for achieving success in these goals. As a result, OEBB is conducting a Request for Proposal (RFP) for comprehensive medical, pharmacy and vision services. OEBB is hoping to add "systems of care" throughout the state for the 2017-2018 plan year to provide members improved, more integrated care and ultimately reduce health care costs. OEBB is pursuing plans and providers that use creative and innovative evidence-based practices.

OEBB supports prevention and member wellness by offering members no-cost programs through carrier. Programs include:

- Better Choices Better Health helps people living with a chronic condition to live healthier lives
- Healthy Team Healthy U offers members a foundation of knowledge and skills to help them live a healthier lifestyle

- MoodHelper online helps members overcome depression
- Fitness Rewards is a subsidy program that helps members pay for qualified fitness and exercise centers
- Tobacco Cessation helps members overcome tobacco use
- Weight Watchers is designed to help members achieve their weight loss goals and maintain them
- Diabetes Prevention Program effective October 2016



Program performance:

- OEBB is incorporating key elements of the coordinated care model into all OEBB medical plans. They are particularly evident in the structure of the Moda Health Synergy and Summit plans, as well as the health care delivery system inherent in the Kaiser Permanente plans.

- Plans are required to meet and report high quality measures of care by:
  - Prioritizing health and prevention services
  - Managing costs by cutting waste and requiring health plans and providers to be efficient, coordinated and focused on the patient
- During the 2016 medical plan renewal, OEBB introduced new medical plans for the 2016-2017 plan year. OEBB's goals in offering these plans are to provide:
  - Choice: a wide range of plans to fit member needs and simplify decision making
  - Better Health: Incentives and wellness programs to help members achieve their best health
  - Sustainability: Affordable benefits that make financial sense for the State and OEBB members for the foreseeable future

oebb

2016-17 BENEFIT HIGHLIGHTS

This document illustrates major changes only. Not all details are included.

OEBB's goals in offering these plans for 2016-17 are to provide:

Choice

A wide range of plans to fit member needs and simplify decision making

Better Health

Incentives and wellness programs to help members achieve their best health

Sustainability

Benefits that make financial sense for the foreseeable future

www.oregon.gov/oha/oebb

Kaiser Permanente Medical Plans

Plan	2015-16 Deductible		2016-17 Deductible
1	None $1,500 Max OOP	NO CHANGE! ★	None $1,500 Max OOP
2	$200 $3,400 Max OOP		$800 $4,000 Max OOP
3 HSA Optional	$1,500 $5,000 Max OOP		$1,600 $6,550 Max OOP

Moda Health Medical Plans

2015-16 Plan	2015-16 Deductible	2016-17 Plan	2016-17 Deductible
A	$200 $2,400 Max OOP	Alder	$400 $3,000 Max OOP
B	$350 $2,950 Max OOP	Coos and Curry counties: PPO only All other areas: Synergy/Summit only	
C	$500 $3,300 Max OOP		
D	$750 $3,800 Max OOP	Birch *Both PPO and Synergy/Summit options*	$800 $4,000 Max OOP
E	$1,000 $4,250 Max OOP	Cedar *Both PPO and Synergy/Summit options*	$1,200 $5,000 Max OOP
F	$1,250 $5,500 Max OOP		
G	$1,500 $6,350 Max OOP	Dogwood *Both PPO and Synergy/Summit options*	$1,600 $6,850 Max OOP
H HSA Required	$1,500 $5,000 Max OOP	Evergreen HSA Required *Both PPO and Synergy/Summit options*	$1,600 $6,550 Max OOP

Strategies for Success: The OEBB Board and staff are committed to our mission and guiding principles and have developed strategies to achieve long term results:

- Offer high-quality, affordable health plans

- Support member wellness and population health
- Create streamlined operations and organization effectiveness
- Provide enhanced member outreach and communications
- Cultivate a customer service culture
- Create a financially sustainable organization

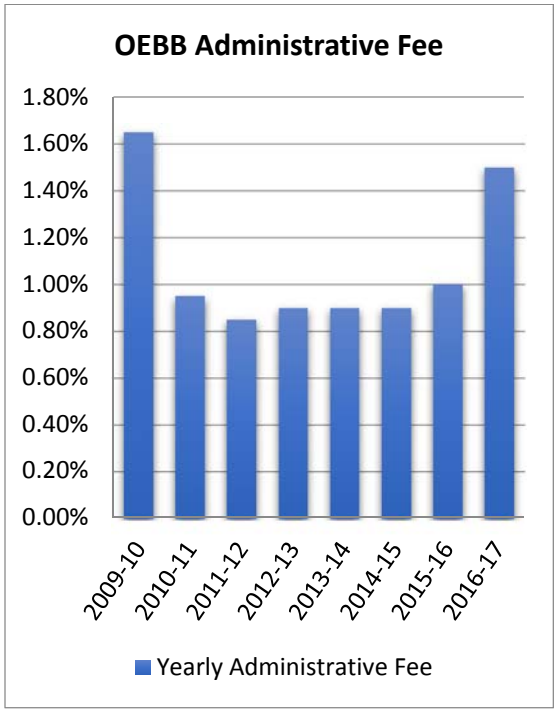
Enabling legislation/program authorization:

OEBB was established by Senate Bill 426 (2007). House Bill 2279 (2013) expands participation eligibility to include local governments and special districts. The OEBB Board, functions and responsibilities are authorized by ORS 243.860 to 243.886.

Funding streams:

ORS 243.880 authorizes the Oregon Educators Benefit Account to cover administration expenses. The account's revenue is generated by an administrative assessment paid by members along with their premiums. The administrative assessment cannot exceed 2 percent of total monthly premiums. As of the 2015-2016 plan year, the administrative fee was 1 percent. The OEBB Board recently voted to increase the fee to 1.5 percent effective October 1, 2016, for the 2016-2017 plan year. The increase helps ensure sufficient funding for the new wellness programs including Fitness Rewards. The administrative fee is the sole source of revenue for the OEBB benefits program. OEBB is funded entirely with Other Funds.

ORS 243.884 authorizes the Oregon Educators Revolving Fund to pay premiums, control expenditures, provide self-insurance and subsidize premiums. Self-insuring would provide the board with more flexibility in benefit design to meet specific cost-cutting goals if necessary to keep premium increases at a reasonable level. OEBB does not currently have the resources needed to self-insure, nor is there any way for OEBB to accrue the required funds (or reserves) at this time.



Significant proposed program changes from 2015-2017:

The following legislative concepts are being proposed:

- Allow collective bargaining units that represent police officers and firefighters to enroll in OEBB and PEBB plans. Some counties have been unable to join due to this designation.
- Treat long-term care insurance as all other optional benefits. PEBB would have the ability to offer the plan if they chose to do so, but it would not be mandated. Employees currently pay 100 percent of cost.
- Add the same proposal confidentiality provision to PEBB and OEBB statutes that is already included in the public contracting code. This would simply put PEBB and OEBB on equal footing with most other agencies and programs.

OREGON HEALTH AUTHORITY: OREGON EDUCATORS BENEFIT BOARD

Program Unit Narrative: Oregon Educators Benefit Board

Expenditures by fund type, positions and full-time equivalents

	General	Other/Lottery	Federal	Total Fund	Pos.	FTE
Leg. Approved 15-17	$ -	$ 1,557.3	$ -	$ 1,557.3	22	22.22
Agency Request 17-19	$ -	$ 1,663.6	$ -	$ 1,663.6	20	20.00
Difference	$ -	$ 106.3	$ -	$ 106.3	0	0.00
Percent Change	0%	7%	0%	7%	0%	0%

Activities, program and issues in the program unit base budget that may require further explanation than allowed in the Program Unit Executive Summary

OEBB supports the Oregon Health Authority's (OHA) goal to transform the health care system in Oregon and is committed to improving members' health and well-being through affordable health care. The OEBB Board developed strategies that align with OHA's vision and mission and to achieve the desired results of member accountability, stakeholder collaboration, high-quality services, affordability and measurable outcomes.

Offer high-quality, affordable health plans:

- Provide plan and benefit designs that clarify present and future costs and are affordable to members
- Offer members at least two affordable plan options
- Use performance measures that ensure carrier accountability and adherence to federal, state, and board benefit mandates

Support member wellness and population health through culturally and linguistically responsive communication and engagement:

- Increase engagement in Healthy Futures and other wellness programs and activities with member accountability for health
- Educate members about the value of health data and provide incentives for participation in health-promoting programs
- Offer evidence-based wellness programs applicable to a broad base of OEBB members

Create streamlined operations and organization effectiveness:

- Modernize the Benefit Enrollment System to enhance the end user experience
- Ensure OEBB's workforce is well-trained and fully equipped to perform their job functions efficiently and effectively
- Increase system integration capabilities and improve security

Provide enhanced member outreach and communications:

- Adopt a detailed and transparent communication plan that addresses the needs of members, participating entities, and stakeholders and is culturally and linguistically responsive
- Provide members and stakeholders with clear and relevant information about costs and critical metrics
- Deliver information to members in a convenient and accessible manner
- Ensure information is culturally and linguistically responsive
- Empower members to become educated health care consumers

Cultivate a customer service culture:

- Focus staff resources on meeting the needs of members and stakeholders driven by data analysis
- Broaden interaction and communication with participating entities
- Partner with participating entities and vendors to create a culture that rewards quality, culturally responsive and timely service to members

Create a Financially Sustainable Organization:

- Create an organization that addresses current business needs and is financially responsive to changes

Any additional important background for decision makers that is not mentioned above. Include trends in caseload, workload or other external factors that may influence the operation of the program

Major program challenges

Controlling premium costs

Premium costs are affected by external drivers, such as:

- Inflation in health care costs
- Chronic conditions
- Significant percent of population are obese or overweight

Legislative cap on premium rate increases

- Limiting renewal rate increases at or below the 3.4 percent increase cap established by the Legislature is another challenge for OEBB and something on which the Board will need to focus for the next renewal period.

Consistency and standardization

OEBB serves its employer entities in a manner similar to the Health Insurance Marketplace by offering a menu of plan options from which employers can select to offer to their members.

- Contribution levels (employer and member) are established for each entity through collective bargaining.
- Each OEBB employer entity:
    - Selects the plans it will offer
    - Selects the rate structure, tiered or composite

These variables pose a challenge to ensuring consistency and fairness for all OEBB members.

Process improvement efforts

Shared functions serving PEBB and OEBB

In an effort to address staffing issues, provide program cross-training and support, and streamline business processes, OEBB and the Public Employees' Benefit Board (PEBB) now share business services including budget, accounting, contracts and communication.

New program administration

Fitness Rewards Program administration

To encourage improved wellness through exercise, OEBB introduced a new program for the 2015-2016 plan year. The Fitness Rewards Program reimburses members up to $15 per month of membership/participating fees for exercising at a qualifying fitness facility. All program administration and customer service is performed by OEBB staff.

2017-2019 planning and program priorities

High-quality and affordable health plans

During the 2016 medical plan renewal process OEBB introduced new medical plans for the 2016-2017 plan year. As the Board evaluated plan offerings and geared up to release the Medical Request for Proposal (RFP), they created a focus group to evaluate affordability among employer entity plan offerings. This Affordability focus group established criteria to ensure affordable health plan options across the state. In the upcoming biennium OEBB will:

- Engage entities at regular intervals to ensure the affordability definition remains relevant to all districts
- Monitor and audit utilization and plan performance to ensure high-quality benefits and services
- Incorporate criteria specific to legislative cost requirements (3.4 percent renewal increase cap) into carrier contracts
- Evaluate vendor and carrier contracts at regular intervals to ensure a balanced portfolio of quality plan and program offerings

Request for proposal

OEBB believes the coordinated care model (CCM) is essential for achieving success in these goals. As a result, OEBB is conducting an RFP for comprehensive medical, pharmacy and vision services. OEBB is:

- Hoping to add "systems of care" throughout the state with a focus on integrated care and reducing health care costs and health disparities

- Pursuing plans and providers that use creative and innovative evidence-based practices

The RFP questionnaire addresses the importance of delivering culturally competent health care and health equity. It requires proposers to outline their plans and specific steps they will take to promote this for OEBB members in medical offices and other care locations.

Communication and outreach

OEBB will focus on enhanced member communication, outreach and engagement. In the next biennium, OEBB hopes to:

- Leverage innovative technology to connect more frequently with members and become more accessible, including with underserved populations
- Generate new brand awareness that promotes the OHA and OEBB mission and goals
- Create live-stream and on-demand webinars and recordings
- Improve outreach and target messaging related to specific health conditions and traditionally underserved populations
- Align with OHA and commercial insurers to obtain health care market data and track cost and quality metrics for use in outreach and communications materials

Metrics and outcome reporting

OEBB staff will:

- Continue working with carriers to refine contractual performance metrics analysis and reporting
- Develop and implement appropriate outcome measures and reporting
- Continue to collect data on race and ethnicity and will evaluate the timeline to add language and disability demographic data elements into the MyOEBB system

Revenue sources and proposed revenue changes. For Lottery Funds, Other Funds, and Federal Funds revenues

ORS 243.880 established the Oregon Educators Benefit Account to cover administration expenses. The account's revenue is generated through an administrative fee included in premiums for OEBB medical, dental and vision benefits, which is

considered Other Fund revenue. By statute, the administrative fee cannot exceed 2 percent of total monthly premiums. ORS 243.882 prohibits the balance in the account from exceeding 5 percent of the monthly total of employer and employee contributions for more than 120 days.

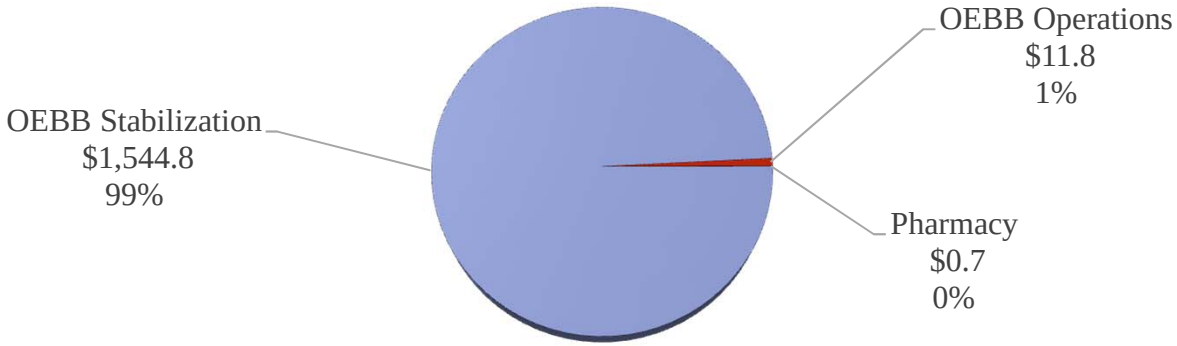
ORS 243.884 established the Oregon Educators Revolving Fund to pay premiums, control expenditures, provide self-insurance and subsidize premiums. There is no dedicated revenue source for the OEBB Revolving Fund other than interest earned on the premium collection pass-through account.

Proposed new laws that apply to the program unit

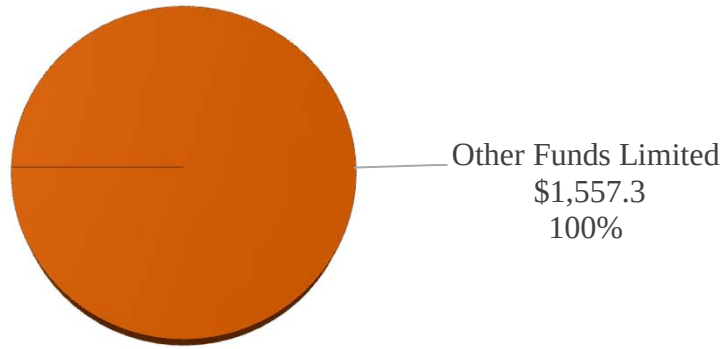
The following legislative concepts are being proposed:

- Allow collective bargaining units that represent police officers and firefighters to enroll in OEBB and PEBB plans. Some counties have been unable to join due to this designation.
- Treat long-term care insurance as all other optional benefits. PEBB would have the ability to offer the plan if they chose to do so, but it would not be mandated. Employees currently pay 100 percent of cost.
- Add the same proposal confidentiality provision to PEBB and OEBB statutes that is already included in the public contracting code. This would put PEBB and OEBB on equal footing with most other agencies and programs.

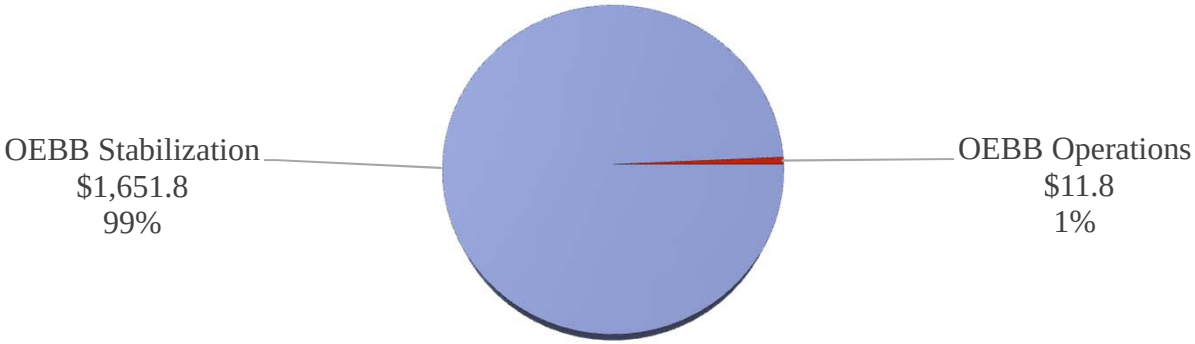
Oregon Health Authority
2015-17 Legislatively Approved Budget
Oregon Educators Benefits Board
by Program $1,557.3



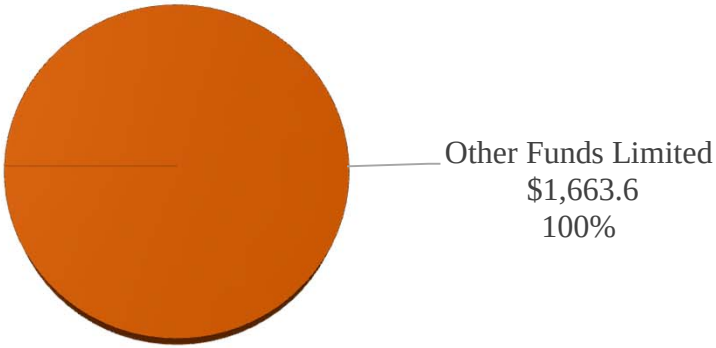
Oregon Health Authority
2015-17 Legislatively Approved Budget
Oregon Educators Benefits Board
by Fund $1,557.3



Oregon Health Authority 2017-19
Agency Request Budget
Oregon Educators Benefits Board
by Program $1,663.6



Oregon Educators Benefits Board
by Fund $1,663.6



Oregon Health Authority Oregon Educators Benefit Board 44300-030-04-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
REVENUES					
General Fund Appropriation	0050	GF	-	-	-
TOTAL REVENUES		**GF**	**-**	**-**	**-**
OTHER FUNDS					
REVENUES					
Beginning Balance	0025	OF	6,325,000	8,188,000	550,000
Charges for Services	0410	OF	-	122,921	122,921
Administrative Service Charges	0415	OF	30,256,723	1,557,503,218	1,663,429,670
Interest Income	0605	OF	281,678	-	-
Other Revenues	0975	OF	1,401,198,307	-	-
TOTAL REVENUES		**OF**	**1,438,061,708**	**1,565,814,139**	**1,664,102,591**
TOTAL OTHER FUNDS		**OF**	**1,438,061,708**	**1,565,814,139**	**1,664,102,591**
TOTAL AVAILABLE REVENUES		**TF**	**1,438,061,708**	**1,565,814,139**	**1,664,102,591**

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Health Authority **Agency Number: 44300**
2017-19 Biennium **Cross Reference Number: 44300-030-04-00-00000**

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Other Funds						
Charges for Services	-	-	122,921	122,921	-	-
Admin and Service Charges	10,224,333	-	1,557,503,218	1,663,429,670	-	-
Total Other Funds	**$10,224,333**	**-**	**$1,557,626,139**	**$1,663,552,591**	**-**	**-**
Nonlimited Other Funds						
Admin and Service Charges	20,032,390	-	-	-	-	-
Interest Income	281,678	-	-	-	-	-
Other Revenues	1,401,198,307	-	-	-	-	-
Total Nonlimited Other Funds	**$1,421,512,375**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Oregon Educators Benefit Board (OEBB)
Cross Reference Number: 44300-030-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Admin and Service Charges	-	-	72,377	-	-	-	72,377
Total Revenues	**-**	**-**	**$72,377**	**-**	**-**	**-**	**$72,377**
Personal Services							
Temporary Appointments	-	-	1,364	-	-	-	1,364
Overtime Payments	-	-	-	-	-	-	-
All Other Differential	-	-	1,293	-	-	-	1,293
Public Employees' Retire Cont	-	-	247	-	-	-	247
Pension Obligation Bond	-	-	2,227	-	-	-	2,227
Social Security Taxes	-	-	203	-	-	-	203
Mass Transit Tax	-	-	20,485	-	-	-	20,485
Vacancy Savings	-	-	46,558	-	-	-	46,558
Total Personal Services	**-**	**-**	**$72,377**	**-**	**-**	**-**	**$72,377**
Total Expenditures							
Total Expenditures	-	-	72,377	-	-	-	72,377
Total Expenditures	**-**	**-**	**$72,377**	**-**	**-**	**-**	**$72,377**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: Oregon Educators Benefit Board (OEBB)**

Pkg: 022 - Phase-out Pgm & One-time Costs | **Cross Reference Number: 44300-030-04-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Admin and Service Charges	-	-	(450,000)	-	-	-	(450,000)
Total Revenues	**-**	**-**	**($450,000)**	**-**	**-**	**-**	**($450,000)**
Services & Supplies							
Professional Services	-	-	(450,000)	-	-	-	(450,000)
Total Services & Supplies	**-**	**-**	**($450,000)**	**-**	**-**	**-**	**($450,000)**
Total Expenditures							
Total Expenditures	-	-	(450,000)	-	-	-	(450,000)
Total Expenditures	**-**	**-**	**($450,000)**	**-**	**-**	**-**	**($450,000)**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: Oregon Educators Benefit Board (OEBB)
Cross Reference Number: 44300-030-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Admin and Service Charges	-	-	57,514,850	-	-	-	57,514,850
Total Revenues	**-**	**-**	**$57,514,850**	**-**	**-**	**-**	**$57,514,850**
Services & Supplies							
Instate Travel	-	-	3,441	-	-	-	3,441
Out of State Travel	-	-	220	-	-	-	220
Employee Training	-	-	1,103	-	-	-	1,103
Office Expenses	-	-	6,610	-	-	-	6,610
Telecommunications	-	-	6,218	-	-	-	6,218
Data Processing	-	-	46	-	-	-	46
Publicity and Publications	-	-	16,236	-	-	-	16,236
Professional Services	-	-	111,412	-	-	-	111,412
IT Professional Services	-	-	97,100	-	-	-	97,100
Attorney General	-	-	108,036	-	-	-	108,036
Employee Recruitment and Develop	-	-	338	-	-	-	338
Dues and Subscriptions	-	-	115	-	-	-	115
Facilities Rental and Taxes	-	-	-	-	-	-	-
Facilities Maintenance	-	-	-	-	-	-	-
Medical Services and Supplies	-	-	-	-	-	-	-
Agency Program Related S and S	-	-	1,323	-	-	-	1,323
Other Services and Supplies	-	-	1,406	-	-	-	1,406
Expendable Prop 250 - 5000	-	-	1,420	-	-	-	1,420

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: Oregon Educators Benefit Board (OEBB)
Cross Reference Number: 44300-030-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
IT Expendable Property	-	-	560	-	-	-	560
Total Services & Supplies	**-**	**-**	**$355,584**	**-**	**-**	**-**	**$355,584**
Capital Outlay							
Technical Equipment	-	-	-	-	-	-	-
Total Capital Outlay	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Special Payments							
Other Special Payments	-	-	57,159,266	-	-	-	57,159,266
Total Special Payments	**-**	**-**	**$57,159,266**	**-**	**-**	**-**	**$57,159,266**
Total Expenditures							
Total Expenditures	-	-	57,514,850	-	-	-	57,514,850
Total Expenditures	**-**	**-**	**$57,514,850**	**-**	**-**	**-**	**$57,514,850**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Oregon Educators Benefit Board (OEBB)
Cross Reference Number: 44300-030-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Admin and Service Charges	-	-	6,179,378	-	-	-	6,179,378
Total Revenues	**-**	**-**	**$6,179,378**	**-**	**-**	**-**	**$6,179,378**
Special Payments							
Other Special Payments	-	-	6,179,378	-	-	-	6,179,378
Total Special Payments	**-**	**-**	**$6,179,378**	**-**	**-**	**-**	**$6,179,378**
Total Expenditures							
Total Expenditures	-	-	6,179,378	-	-	-	6,179,378
Total Expenditures	**-**	**-**	**$6,179,378**	**-**	**-**	**-**	**$6,179,378**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 033 - Exceptional Inflation

Cross Reference Name: Oregon Educators Benefit Board (OEBB)
Cross Reference Number: 44300-030-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Admin and Service Charges	-	-	43,564,613	-	-	-	43,564,613
Total Revenues	**-**	**-**	**$43,564,613**	**-**	**-**	**-**	**$43,564,613**
Special Payments							
Other Special Payments	-	-	43,564,613	-	-	-	43,564,613
Total Special Payments	**-**	**-**	**$43,564,613**	**-**	**-**	**-**	**$43,564,613**
Total Expenditures							
Total Expenditures	-	-	43,564,613	-	-	-	43,564,613
Total Expenditures	**-**	**-**	**$43,564,613**	**-**	**-**	**-**	**$43,564,613**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 060 - Technical Adjustments

Cross Reference Name: Oregon Educators Benefit Board (OEBB)
Cross Reference Number: 44300-030-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Admin and Service Charges	-	-	(770,090)	-	-	-	(770,090)
Total Revenues	**-**	**-**	**($770,090)**	**-**	**-**	**-**	**($770,090)**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	(401,304)	-	-	-	(401,304)
Empl. Rel. Bd. Assessments	-	-	(114)	-	-	-	(114)
Public Employees' Retire Cont	-	-	(76,609)	-	-	-	(76,609)
Pension Obligation Bond	-	-	-	-	-	-	-
Social Security Taxes	-	-	(30,700)	-	-	-	(30,700)
Worker's Comp. Assess. (WCD)	-	-	(138)	-	-	-	(138)
Mass Transit Tax	-	-	(2,349)	-	-	-	(2,349)
Flexible Benefits	-	-	(66,672)	-	-	-	(66,672)
Total Personal Services	**-**	**-**	**($577,886)**	**-**	**-**	**-**	**($577,886)**
Services & Supplies							
Instate Travel	-	-	(10,943)	-	-	-	(10,943)
Out of State Travel	-	-	(6,161)	-	-	-	(6,161)
Employee Training	-	-	(7,024)	-	-	-	(7,024)
Office Expenses	-	-	(24,951)	-	-	-	(24,951)
Telecommunications	-	-	(62,581)	-	-	-	(62,581)
State Gov. Service Charges	-	-	-	-	-	-	-
Data Processing	-	-	(1,290)	-	-	-	(1,290)
Attorney General	-	-	(62,227)	-	-	-	(62,227)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 060 - Technical Adjustments

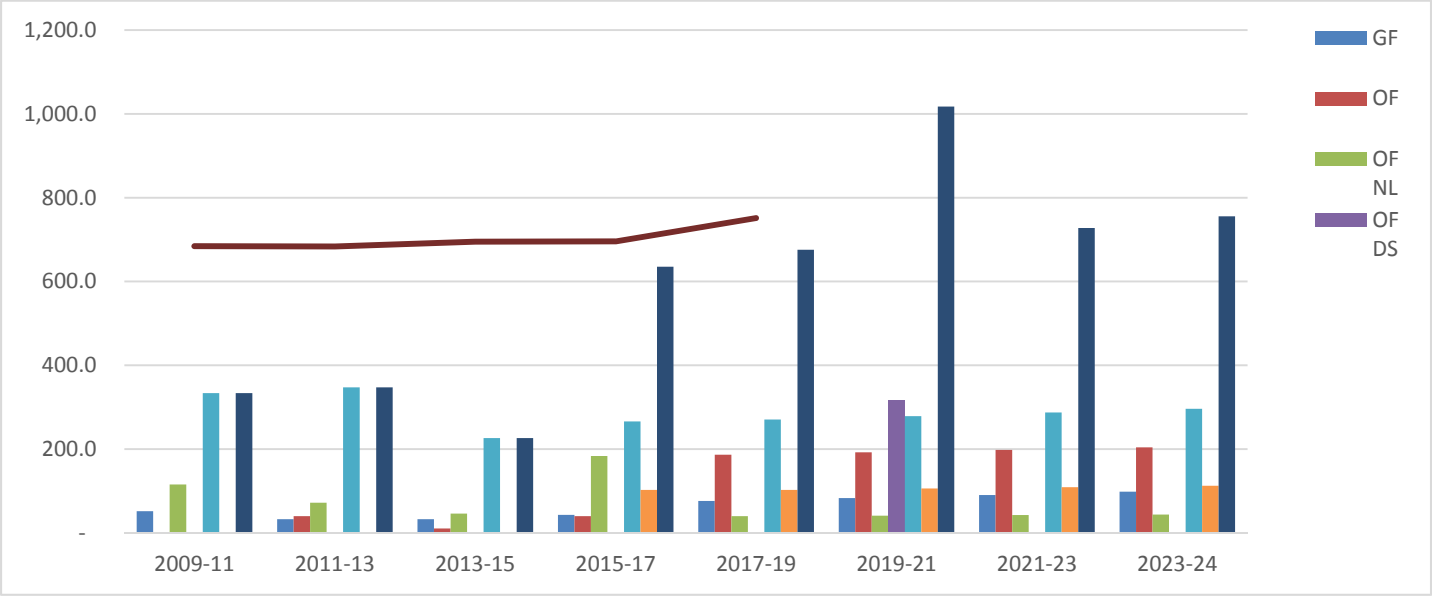
Cross Reference Name: Oregon Educators Benefit Board (OEBB)
Cross Reference Number: 44300-030-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Other Services and Supplies	-	-	(16,416)	-	-	-	(16,416)
Total Services & Supplies	**-**	**-**	**($191,593)**	**-**	**-**	**-**	**($191,593)**
Special Payments							
Other Special Payments	-	-	(611)	-	-	-	(611)
Total Special Payments	**-**	**-**	**($611)**	**-**	**-**	**-**	**($611)**
Total Expenditures							
Total Expenditures	-	-	(770,090)	-	-	-	(770,090)
Total Expenditures	**-**	**-**	**($770,090)**	**-**	**-**	**-**	**($770,090)**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							(2)
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**(2)**
Total FTE							
Total FTE							(2.00)
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**(2.00)**

OREGON HEALTH AUTHORITY: PUBLIC HEALTH DIVISION

Program Unit Executive Summary

Primary Focus Area:	Safer, Healthier Communities
Secondary Focus Area:	Responsible Environmental Stewardship
Program contact:	Lillian Shirley, Public Health Director 971-673-1300



Program overview

Public health is a cost-effective means to promote health, improve care and lower or contain health care costs by preventing the leading causes of death, disease and injury in Oregon. Today medical care accounts for only about 10 percent of our health status, while lifestyle, behavior, environmental, and social and genetic factors account for the rest.

Public health programs address behavioral and social drivers of health by working to ensure physical and social environments that promote health and make it easier for people to make healthy choices and live unencumbered by social and environmental conditions that can compromise health. Public health programs complement and amplify investments in health care programs. By focusing on prevention, they have the potential to reduce the need for health care and ultimately may help in containing health care costs. Public health also directly helps clinical health care providers including coordinated care organizations, adopt evidence-based best practices for the delivery of clinical preventive health services.

Program funding request

	General	Other NL	Other/Lottery	Federal NL	Federal	Total Fund	Pos.	FTE
Leg. Approved 15-17	$ 43.2	$ 40.0	$ 183.4	$ 102.7	$ 265.9	$ 635.2	785	763.71
Agency Request 17-19	$ 76.1	$ 40.0	$ 186.5	$ 102.7	$ 270.4	$ 675.8	760	751.41
Difference	$ 32.9	$ -	$ 3.1	$ 0.0	$ 4.5	$ 40.6	-25	-12.30
Percent Change	76%	0%	2%	0%	2%	6%	-3%	-2%

For the 2017-2019 biennium, the Oregon Health Authority requests the following budget (in millions) for Central Services:

- 2017-2019 Request: $675.8 TF ($76.1 GF, $226.5 OF and $373.2 FF)

The Agency Request Budget of $675.8 Total Funds continues funding for the Public Health programs at the current service level for 2015-2017. This request includes policy option package requests for investments to improve the lifelong health of all Oregonians, preventing leading causes of death, injury and disease.

Program description

The Public Health Division's mission is to promote health and prevent the leading causes of death, disease and injury in Oregon. In addition to addressing the drivers of chronic illness such as tobacco and obesity, among other services the state

public health programs ensure the safety of drinking water in public water systems, investigate disease outbreaks, respond to public health emergencies, license hospitals, and provide services to prevent unintended pregnancies. These programs and services serve all people in Oregon, including its most vulnerable populations.

The vision is lifelong health for all people in Oregon. To achieve this vision, public health has identified two main goals;

- To make Oregon one of the healthiest states
- To transform the state's public health system into a national model of excellence

To make Oregon one of the healthiest states, state public health is focusing on areas where there is the potential to make significant progress to improve the health of the population. Tobacco and obesity prevention are priorities. The programs are directly working to achieve outcomes, including supporting the achievement of 100 percent tobacco-free state properties and the establishment of a statewide nutrition policy for all state agencies, and statewide nutrition standards in procurement contracts.

Other areas of focus, all in the context of health equity, include reducing the incidence of heart disease and stroke and increasing survival of stroke patients; decreasing suicide (which kills more people than motor vehicle crashes in Oregon); preventing family violence, which causes a wide range of physical and mental health problems and also is a major factor in the development of chronic disease later in life for children exposed to violence; and increasing community resilience in public health emergencies.

To create a public health system that is a national model of excellence, Public Health is preparing for a time when nearly all people are covered by health insurance by developing its capacities to:

- Support coordinated care organizations with technical assistance in the areas of prevention and community health assessment
- Carry out health impact assessments
- Connect health improvement policies and strategies to social determinants of health and collaborate with other state and local cross-sector entities to address determinants of health and health disparities
- Achieve excellence in the assessment and monitoring of the health of the public through epidemiology and surveillance

- Collaborate with other state agencies to ensure that health is considered in policymaking across state government as appropriate

The state public health system works as a partner in a national system of local public health agencies, other state agencies, and federal partners. Partnerships with local public health departments, coordinated care organizations, transportation, education, federal partners, and health care providers are essential to the work, and contribute toward providing Oregon with the backbone for a strong economy and education system.

Program justification and link to long-term outcomes:

These programs provide cost-effective ways to meet the goals in the Long Term Outcomes. Public health programs can fundamentally change how health care is delivered by shifting resources toward the prevention of chronic disease, and ensuring access to sufficient, affordable, and nutritious food. Public Health Division is designing strategies to decrease obesity among adults and children, and is actively engaged in measuring and increasing the percent of Oregonians consuming five or more servings of fruits and vegetables per day. Additionally, Public Health Division programs work to achieve Healthy People 2020 objectives, which tie directly to the Safer, Healthier Communities goals of the Long Term Outcome plan, as well as health equity and eliminating health disparities.

Program performance:

Public Health Division has a system of performance measurement and quality improvement to address its programs, including data related to the return on investment for many of these programs. Performance and return on investment data are available for the full range of public health programs. Performance outcomes for key areas – tobacco, family planning and epidemiology – are listed below.

The Tobacco Prevention and Education program delivers community-based interventions to control tobacco. The program has averted $3.8 billion in future health care costs since 1997, a return of $45 for every dollar invested in the program. As a result of the program, cigarette consumption declined in Oregon from 92 packs per capita in 1996 to 43 packs per capita in 2013.

Family Planning program has served more than 100,000 clients per year for each of the past five years, providing free or low-cost birth control options to women and men who lack other sources of coverage. The total savings from unintended births averted in 2011 was more than $28 million dollars for the state and more than $81 million in federal Medicaid funds. The rate of pregnancy among 15- to 17-year-old women in Oregon dropped from 23.8 percent in 2004 to 22.4 percent in 2009.

Epidemiology and data collection are critical to Oregon's ability to measure the health status of all of its people and to identify trends in infectious diseases, chronic diseases, and injuries and the disparities that exist. This capacity is essential for policymakers and critical for tracking how the population's health is affected by well-community prevention, coordinated care organizations and other changes yet to come in the health system.

Enabling legislation/program authorization

The Oregon Health Authority plays a central role in ensuring the health of all people in Oregon. Chapters 431 and 433 of Oregon Revised Statutes set forth hundreds of code sections enabling and mandating a wide range of public health activities carried out by state public health and its county partners.

Funding streams

For the 2015-2017 biennium, Public Health Division's budget comprises 11% General Fund, 55% Federal Funds and 34% Other Funds. The federal revenue includes not only entitlement grants such as Medicaid (with 90-10 match for contraceptive care) but more than 120 grants that are categorically dedicated to public health programs such as emergency preparedness and hospital preparedness, cancer prevention and control, and safe drinking water.

In addition, Public Health Division's Other Fund revenue sources include fees for activities in such areas as newborn screening tests (including test services for eight other states); licensing of facilities including hospital and special inpatient care facilities; registration inspection and testing of X-ray equipment; testing and certification of emergency medical technicians; registration of medical marijuana card holders, growers, dispensaries and processors; fees for issuing certified copies of vital records; and statutorily dedicated funds from the Tobacco Use Reduction Account. Other Fund fees generally are dedicated to entirely

support the program that assesses the fee, except Medical Marijuana program funds, which were legislatively approved to support additional programs.

Significant proposed program changes from 2015-2017

Public Health Division has carried out a statewide health assessment, developed a strategic plan, and is engaging in planning with partners to continue its work to integrate Oregon's public health system with health system transformation, and continue its work during 2017-2019 to reduce the leading causes of disease, injure, and death. Public Health continues to be primarily funded through federal grants. During 2015-2017, several federal grants have decreased or remained flat. This decline in federal funding is expected to continue during 2017-2019, and the programs will need to adjust services accordingly.

Since 2013, Oregon has been working to modernize its governmental public health system. The goals of a modern public health system include achieving sustainable and measurable improvements in population health, protecting individuals from injury and disease, closing the gap on health disparities and being fully prepared to respond to public health threats.

In July 2015, the Legislature passed HB 3100, which sets forth a clear path and timeline for the implementation of a modernized public health system in Oregon that will meet the needs of Oregonians. A policy option package is included in the program funding request to support Phase 1 of this implementation.

OREGON HEALTH AUTHORITY: PUBLIC HEALTH DIVISION

Program Unit Narrative: Office of the State Public Health Director

Expenditures by fund type, positions and full-time equivalents:

	General	Other/Lottery	Federal	Total Fund	Pos.	FTE
Leg. Approved 15-17	$ 6.3	$ 11.2	$ 13.4	$ 30.9	50	49.50
Agency Request 17-19	$ 32.4	$ 11.6	$ 12.4	$ 56.4	48	47.50
Difference	$ 26.1	$ 0.4	$ (1.0)	$ 25.6	-2.00	-2.00
Percent Change	414%	4%	-7%	83%	-4%	-0.04

The Agency Request Budget of $56.4 continues funding for the Office of the State Public Health Director programs at the current service level for 2017-2019. This request includes Policy Option Package 411 for $25,864,881 to improve the lifelong health of all Oregonians.

Activities, programs and issues in the program unit base budget

The Office of the State Public Health Director (OSPHD) provides scientific, fiscal, communications, policy and operations leadership to the public health programs. The office sets public health priorities that meet the needs of all Oregonians in collaboration with state and local agencies and organizations.

Under the leadership of the OSPHD, state public health is organized by three centers: Center for Public Health Practice, Center for Prevention and Health Promotion and Center for Protection. The various categorical programs are located in these centers.

The office guides the strategy, operations, scientific activities, communication and policies of all public health programs and ensures that Oregon's public health system is effective and coherent.

The office has units focused on policy, public health systems innovation and partnerships, communication, legislative affairs, fiscal management, operations, science and epidemiology. These units provide enterprise-wide support and guidance in areas that include:

- Supporting accreditation, quality improvement and performance management
- Health assessments and statewide health improvement planning
- Health equity and the social determinants of health
- Contracting with local health departments and conducting reviews of each local health department every three years
- Coordination of partnerships to achieve improved population health with the 34 local health departments and nine federally-recognized tribes in Oregon
- Policy development, implementation and administrative rulemaking
- Providing technical support to local health departments in nurse practice and administrative requirements
- Legislative support
- Coordination of public health issues related to health system transformation
- Risk management and safety
- Workforce development and volunteer coordination
- Budget and finance
- Communication
- Business continuity planning
- Scientific processes including the Institutional Review Board and manuscript and project review

Any additional important background. Include trends in caseload, workload or other external factors that may influence the operation of the program

The Office of the State Public Health Director's work affects all Oregonians and responds to public health issues by providing leadership and oversight to public health programs that:

- Protect the public through public health regulations
- Identify and respond to disease outbreaks
- Develop population-wide public health policies, practices, systems and environmental changes that will improve public health

The office works to ensure that decisions made and priorities set in Oregon are data-driven and use evidence-based practices. As more Oregonians have access to health care, public health's activities will continue to transition away from providing safety-net health care services toward population-wide policy, systems and environmental changes.

This work includes extensive interaction with Oregon's 34 local public health departments. The state public health programs also partner with a range of state and local agencies and organizations, health care providers, insurers, coordinated care organizations, nonprofit organizations, federal agencies and the private sector. Within state government, the office's staff work closely with and serve as liaisons between public health programs and the state departments of Human Services, Transportation, Education, Environmental Quality, Agriculture and Forestry, and other programs within the Oregon Health Authority.

The office is responsible for the State Health Profile, originally published in 2012. The State Health Profile includes a set of key population health indicators that are updated annually and include breakouts by race and ethnicity and coordinated care organization region. Using the data from the State Health Profile and feedback from a series of community engagement meetings held across Oregon in 2014, the Public Health Division launched Oregon's Statewide Health Improvement Plan (SHIP) in July 2015. Oregon's SHIP includes seven priority areas organized by health equity interventions, population-wide interventions and health system interventions, which if fully implemented would

contribute to substantial improvements in the health of Oregonians and cost savings to the health care delivery system. The seven priority areas included in Oregon's SHIP:

- Prevent and reduce tobacco use
- Slow the increase of obesity
- Improve oral health
- Reduce harms associated with alcohol and substance use
- Prevent deaths from suicide
- Improve immunization rates
- Protect the population from communicable diseases

The OSPHD oversees Oregon's SHIP, working closely with Public Health Division programs on implementation of evidence-based strategies and building partnerships to align work across public health, health care, community-based organizations, state agencies and other key partners. The OSPHD partners with the OHA Transformation Center to support implementation of community health improvement plans by local public health authorities, coordinated care organizations and nonprofit hospitals so that these plans can also be used to achieve statewide health outcomes. In 2017-2019, the OSPHD will continue to focus on the collection and reporting of public health data in accordance with the Race, Ethnicity, Language and Disability (REAL+D) law, recognizing that this level of information is critical to the identification of health needs and prioritization of public health initiatives to serve the needs of Oregon's diverse communities. In addition, the interventions in the SHIP will be reviewed and strengthened to better address health equity needs.

Since 2013 the Office of the State Public Health Director has provided leadership for Oregon's public health modernization initiative. This effort began with House Bill 2348 (2013), which established the Task Force on the Future of Public Health Services, designed to create recommendations for the Legislature on a governmental public health system for the future. The task force met for nine months in 2014, submitting recommendations to the Legislature in the *Modernizing Oregon's Public Health System* report in September 2014. These recommendations were used to introduce House Bill 3100, which was signed by Governor Brown in July 2015. Since then, the Office of the State Public Health Director has worked to implement the provisions included in House Bill 3100, which:

- Adopted a series of foundational capabilities and programs, including cultural responsiveness and health equity, for governmental public health
- Changed the composition and role of the Oregon Public Health Advisory Board on January 1, 2016
- Required an assessment of how foundational capabilities and programs are provided and what resources are needed to achieve full implementation
- Requires that local public health authorities shall submit plans for implementing the foundational capabilities and programs no later than December 2023

In order to accomplish this work in the timeline set forward by House Bill 3100, the OSPHD:

- Facilitated a process by which state and local public health authorities defined each foundational capability and program, and compiled these definitions into the Public Health Modernization Manual, published in December 2015.
- Engaged a contractor to complete a public health modernization assessment with each local public health authority and the Public Health Division.
- Partnered with the Coalition of Local Health Officials on a successful application to the Robert Wood Johnson Foundation for a $250,000, two-year grant to support implementation of public health modernization across Oregon.
- Engaged Program Design and Evaluation Services to develop an estimate of the health outcomes and cost savings anticipated by public health modernization.
- Began engaging partners outside of the governmental public health system in public health modernization, including county commissioners, coordinated care organizations, and the nine federally-recognized tribes in Oregon, which will be exploring how the public health modernization initiative aligns with their own goals for population health improvement. In 2017-2019 the OSPHD will work closely with the OHA Office of Equity and Inclusion to engage diverse communities in the effort to develop state and local public health modernization plans. In June 2016 OHA held a tribal consultation on public health modernization to receive guidance from tribes on how they would like to engage in public health modernization.

As a critical component of the implementation of House Bill 3100, Governor Brown appointed the new Public Health Advisory Board in December 2015. This 16-member board oversees Oregon's governmental public health system and acts in a subcommittee capacity to the Oregon Health Policy Board. The Public Health Advisory Board makes recommendations to the Oregon Health Policy Board on numerous initiatives related to public health modernization, while also overseeing Oregon's SHIP and the Preventive Health and Health Services Block Grant. The Public Health Advisory Board and two subcommittees meet monthly:

- The Incentives and Funding Subcommittee is charged with developing a formula for the distribution of state funds for local public health authorities using the criteria set forward in House Bill 3100
- The Accountability Metrics Subcommittee is identifying a series of quality measures for which state and local health departments will be financially accountable through the implementation of public health modernization

The Public Health Advisory Board has committed to applying an equity lens to its work and will be developing guiding principles to ensure that a focus on health equity is inherent in all of its work. To date the Incentives and Funding Subcommittee has committed to including a diversity variable in the draft local public health authority funding formulas, and the Accountability Metrics Subcommittee has prioritized the ability to meaningfully affect health equity as a criteria for the selection of quality measures for state and local public health authorities. The Public Health Advisory Board has had numerous discussions about the importance of having robust state and local data that complies with the REAL+D law in order to inform the work of a modern public health system.

In addition to several system-wide public health initiatives, the OSPHD has assumed leadership for new and emerging issues that affect the health of Oregonians. It has coordinated the state's responses to the public health impact of marijuana legalization, air toxics, lead and other emerging issues, in collaboration with Public Health Division' centers, other state agencies, and local public health authorities.

The office continues to lead the Public Health Division's performance improvement efforts, and has established performance dashboards for all of the division's programs as well as a monthly reporting and review process.

The office also oversees and participates in regular program reviews of Oregon's local public health departments to ensure their compliance with federal and state regulations.

Revenue sources and proposed revenue changes

The 2017-2019 budget for the Office of the State Public Health Director is composed of 21 percent Other Funds and 22 percent Federal Funds (primarily through the agency's federally approved cost allocation plan), and 57 percent General Funds.

The 2015-2017 Legislative Approved Budget (LAB) for the Office of the State Public Health Director included General Funds of $500,000 to implement deliverables associated with House Bill 3100, the Modernization of the Public Health. Those funds have been used to publish the Public Health Modernization Manual, conduct the public health modernization assessment and develop the public health modernization assessment report, estimate the health outcomes and cost savings attributable to public health modernization, develop targeted public health modernization communications, and engage Oregon's nine federally-recognized tribes in an effort to identify aspects of public health modernization that might be implemented to improve the health of tribal members.

The 2015-2017 LAB also included $1 million in General Funds to support planning and operational readiness to prepare for, respond to and mitigate public health disasters. During 2015-2017, these funds were used for response to Ebola, meningococcal, Zika virus, environmental health hazards caused by heavy metals, and response to Douglas County to assist with recovery following the Umpqua Community College shootings.

The 2017-2019 budget request includes a policy option package to begin implementation of the provisions included in HB 3100 (2015), the Modernization of the Public Health system.

The office also receives federal funding from the Centers for Disease Control Preventive Health and Health Services Block Grant to address state-determined public health priorities. During 2015-2017 the office received $6.5 million from the Oregon Medical Marijuana Program in lieu of General Funds to help support communicable disease outbreak surveillance at the local level.

Proposed new laws that apply to the program unit

The Office of the State Public Health Director is proposing a legislative concept to continue to advance the timeline and deliverables associated with House Bill 3100, including implementation of state and local public health quality measures. The office also will propose a legislative concept to establish a Health and Learning Task Force to improve alignment of student health and educational goals among Oregon Health Authority, Oregon Department of Education, and coordinated care organizations.

OREGON HEALTH AUTHORITY: PUBLIC HEALTH DIVISION

Program Unit Narrative: Center for Health Protection

Expenditures by fund type, positions and full-time equivalents

	General	Other/Lottery	Federal	Total Fund	Pos.	FTE
Leg. Approved 15-17	$ 3.4	$ 37.3	$ 19.4	$ 60.0	232	223.66
Agency Request 17-19	$ 6.4	$ 40.6	$ 18.6	$ 65.6	228	226.50
Difference	$ 3.0	$ 3.3	$ (0.8)	$ 5.5	-4.00	2.84
Percent Change	87%	9%	-4%	9%	-2%	1%

The Agency Request Budget of $65.6 continues funding for the Center for Health Protection programs at the current service level for 2017-2019. This request includes Policy Option Package 401 for $250.705, Package 409 for $970,453, and Package 411for $1,249,868 to improve the lifelong health of all Oregonians.

Activities, programs and issues in the program unit base budget

The Center for Health Protection (CHP) protects the health of individuals and communities through establishing, applying and ensuring compliance with regulatory and health-based standards. It protects Oregonians from environmental health hazards in areas including drinking water, radiation, recreational waters, and foodborne illness. The center also develops and helps set health care policy and requires patient safety efforts and quality improvement activities across all health care providers. The center's six sections partner with local health departments, private practitioners and medical experts.

Radiation Protection Services (RPS) conducts statewide radiological health and safety programs to protect workers and the public from unnecessary and unhealthy radiation exposure. This is accomplished through on-site facility inspections, licensing

of radioactive materials, and registration of X-Ray and tanning devices, environmental monitoring, and radio analytical laboratory services. This section provides Oregon's sole public resource for radiation-related incidents, whether accidental or intentional. In addition, the section collaborates with licensing boards to ensure operators and workers are properly trained and credentialed.

Drinking Water Services (DWS) ensures the safety of drinking water provided by all public water systems in Oregon. The program administers and enforces state and federal safe drinking water quality standards; prevents contamination of public drinking water systems by protecting drinking water sources; ensures that public water systems meet standards for design, construction and operation; certifies and trains water system operators; inspects public water systems and ensures that identified deficiencies are corrected; and provides technical assistance to public water suppliers to solve operational problems. DWS also provides financial assistance to communities to construct safe drinking water infrastructure, and is expanding funding assistance to underserved and economically disadvantaged communities for these projects.

Environmental Public Health (EPH) identifies, assesses and reports on threats to human health from exposure to environmental and occupational hazards. It also advises the people and communities of Oregon about potential risks where they live, work and play. EPH works closely with local, state and federal natural resource management, occupational safety, environmental and other agencies to understand risks to human health posed by changing conditions, policies and practices. EPH recognizes that communities of color and lower-income communities are disproportionately at risk for environmental exposures and prioritizes its work accordingly.

Oregon Medical Marijuana Program (OMMP*)* administers the registration program of the Oregon Medical Marijuana Act (OMMA). The OMMP oversees the medical marijuana cardholder registry for patients and regulates medical marijuana dispensaries, processors and grow sites. The program ensures compassionate and responsible access to medical marijuana products. This includes the timely review of cardholder registry applications and maintaining and ensuring patient confidentiality. The program also regulates medical marijuana facilities that include dispensaries, growers, and processors through its compliance and enforcement unit ensuring compliance with the OMMA and administrative rules. Compliance with

the requirements set forth in the OMMA also include the administration of a database for registering patients, growers and facilities and for reporting and tracking medical marijuana products.

Health Care Regulatory and Quality Improvement (HCRQI) regulates an array of health facilities and providers. The Health Facility Licensing and Certification program licenses and certifies all health care facilities, providers and suppliers in acute care and community-based programs. These include hospitals, home health agencies, in-home care agencies, hospice programs, ambulatory surgical centers, rural health clinics, special inpatient care facilities, kidney dialysis facilities, birthing centers, rehabilitation agencies and clinics, comprehensive outpatient rehabilitation facilities, community mental health centers, hemodialysis technicians, and portable x-ray suppliers.

The Emergency Medical Services and Trauma Systems (EMS/TS) program ensures the effectiveness and coordination of the state's emergency response system for illness and injury. The program encourages improvements in the emergency care of pediatric patients and regulates systems that provide emergency care to victims of sudden illness or traumatic injury.

Health Licensing Office (HLO) is a central licensing and regulatory office that oversees multiple health and related professions. HLO protects the health, safety and rights of Oregon consumers by ensuring that only qualified applicants are authorized to practice. HLO reviews and approves applicant qualification, conducts examinations, inspects thousands of licensed facilities and independent contractors, responds to and investigates consumer complaints, and disciplines licensees who are found in violation of state requirements.

Programs in the Center for Protection are engaged in or working toward the following health equity and inclusion strategies:

- Increasing cultural competency assessment among staff and advisory board members
- Increasing workforce diversity efforts
- Expanding funding assistance to underserved and economically disadvantaged communities for safe drinking water system construction projects
- Reviewing regulatory and complaint procedures to address discrimination issues

- Collecting and reporting data disaggregated by race, ethnicity, language and disability (REAL+D)
- Conducting health equity impact analyses on new and existing efforts

Any additional important background. Include trends in caseload, workload or other external factors that may influence the operation of the program

The majority of the Center for Health Protection programs are grounded in the principles of population-based public health, providing services and oversight for all Oregonians.

Radiation Protection Services licenses or registers 13,350 sources of radiation statewide. It inspects those radiation sources in more than 4,300 facilities including hospitals, dental and medical clinics, radiation oncology clinics, tanning salons, high tech manufacturing firms, academic and research facilities, paper and pulp processing plants, foundries, and mineral extraction facilities. These facilities are located across all 36 counties and are inspected on a routine basis.

Drinking Water Services regulates more than 3,400 public water systems statewide, which serve drinking water to more than 4 million Oregonians and our visitors. The section certifies 1,700 public water system operators, and 1,500 backflow device testers and specialists. Contracts with county health departments and the Oregon Department of Agriculture help facilitate the inspections of these public water systems.

Environmental Public Health (EPH) protects Oregon communities from health risks in the environment and is the state's primary point of scientific and technical expertise on health concerns pertaining to the built and natural environments. Every day we encounter chemicals, physical agents, and other substances in the air, water, soil and even the food we eat. During 2015-2017 the program has been heavily engaged with the Oregon Department of Environmental Quality in the Governor's "Cleaner Air Oregon" initiative. Recent concerns about air quality have significantly increased the section's workload. This increased workload includes many types of activities including assessment, risk communication and the engagement of diverse communities. The section is organized into regulatory, assessment and surveillance units.

EPH's primary regulatory program is Food, Pool and Lodging Health and Safety which provides leadership for local health departments to ensure safety for more than 20,000 full-service and temporary restaurants, public pools and tourist accommodations. Other programs regulate clandestine drug lab clean-up (2,100 cleaned up since 1990), and lead-based paint-related activities. This unit also includes the newly developed Toxic-Free Kids program which regulates hazardous chemical reporting by manufacturers of children's products.

The assessment programs evaluate areas of environmental concern including emissions from industrial facilities, contamination from hazardous wastes sites, brownfield (former industrial land that may be contaminated) redevelopment plans, transportation and land use plans, hazards related to climate change, harmful algae blooms, and fish consumption to ensure impacts to public health are included in action plans. Assessments and stakeholder engagement activities take into consideration the fact that some communities face greater and more environmental risks or are more vulnerable to these risks and make recommendations to address environmental health inequities.

The surveillance programs monitor data on environmental hazards and potentially related health outcomes to provide Oregonians access to data and information related to lead poisoning, radon, pesticide exposures, occupational health, domestic well safety, beach safety, and other environmental health concerns.

Oregon Medical Marijuana Program (OMMP) serves patients statewide. The number of medical marijuana cardholders has grown continually since the program's inception in 1998. To date, approximately 72,801 patients, 31,483 caregivers, and 43,291 growers are registered with the program. This program allows Oregonians suffering from debilitating medical conditions to access medical marijuana without fear of civil or criminal penalties. In addition, HB 3400, passed during the 2015 legislative session, greatly expanded the program by including the medical marijuana dispensary registration program, adding a registration program for medical marijuana processors, and directing the program to create a database for the tracking and reporting of medical marijuana products throughout the state. Currently, there are 423 registered dispensaries and over 178 applications for registered processing sites. However, it is unknown how many registered facilities will remain within the OMMP when the Oregon Liquor Control Commission (OLCC) assumes licensure of retail dispensaries, scheduled to begin in

the fall of 2016. While the cardholder program is expected to remain flat or increase slightly, it is anticipated that fee revenue from OMMP-registered facilities will decrease significantly in 2017.

Health Care Regulatory and Quality Improvement (HCRQI*)* oversees an array of health facilities, providers, the Health Facilities Planning and Safety program, and the Certificate of Need program.

The Health Facility Licensing and Certification program licenses approximately 88 ambulatory surgical centers, 15 birthing centers, 67 dialysis facilities, 683 hemodialysis technicians, 77 home health agencies, 61 hospice agencies, 65 hospitals, 146 in-home care agencies, 63 rural health clinics, six special inpatient care facilities and 44 designated trauma hospitals.

The Health Facilities Planning and Safety program works to ensure that newly constructed facilities provide safe, adequate care and lodging, minimize the need for costly changes and delays, correct deficiencies in newly constructed facilities and promote cost containment. The Certificate of Need program evaluates whether a proposed service or facility is actually needed, and works to control the rapidly escalating costs of health care through planning and regulation.

Emergency Medical Services and Trauma Systems (EMS/TS) program licenses approximately 12,500 emergency medical services providers (EMSPs): 2,131 EMRs, 5,152 EMTs, 821 EMT-intermediate, 104 advanced EMTs and 3,754 paramedics. The program also licenses 133 ambulance service agencies and 691 ambulances. It also certifies all EMT training courses and provides training services to nearly 200 rural and frontier communities through our mobile training unit.

HCRQI also serves as the pass-through entity for the authorized $1.95 million General Fund to support the Early Discussion & Resolution program at the Oregon Patient Safety Commission.

Health Licensing Office (HLO) works with 14 boards, councils and programs including the boards of: Athletic Trainers; Cosmetology; Denture Technology; Respiratory Therapy; Environmental Health Specialists; Hearing Aid Specialists; Direct Entry Midwifery; Sex Offender Treatment; Nursing Home Administrators; Licensed Dietitians; Body Art Practitioners; Behavior Analysis, and Music Therapy. In 2015 HLO administered 7,789 examinations, issued 6,776 licenses and registrations,

renewed 42,549 licenses and registrations, conducted 9,648 inspections, investigated 317 complaints and monitored 5,173 facilities and 39,077 licensees.

Revenue sources and proposed revenue changes

The 2017-2019 Center for Health Protection budget comprises 62% Other Funds, primarily in the form of fees for services, 28% Federal Funds, and 10% state General Funds. Funding for each program is described below.

Radiation Protection Services receives funding from three fee-based regulatory programs. They are the X-Ray Machine Program, Radioactive Material Licensing Program and the Tanning Device Program. All three collect fees by licensing or registering devices which produce or contain radiation sources. Gross fees total approximately $4.3 million per biennium. Individual or business entities that own these devices pay the fees.

Drinking Water Services receives funding from multiple sources. This section has two federal grants from the Environmental Protection Agency (EPA). They are the Water Primacy grant and the Drinking Water State Revolving Fund grant. Combined gross revenues per biennium total over $28 million. Approximately 72 percent of those funds are transferred to other state agencies or counties. Most of that transferred funding supports the Oregon Safe Drinking Water Revolving Fund, which helps communities pay for safe drinking water infrastructure construction projects. This section also has four fee-based programs. They are Backflow Tester/Specialist Certification, Water System Operator Certification, Water System Inspections and Water System Plan Review. These programs combined generate approximately $2 million per biennium. Certification fees are paid by individuals seeking certification, and inspection and plan review fees are paid by public water suppliers. The Drinking Water Services section also receives about $4.4 million per biennium from the Oregon Medical Marijuana Program in lieu of General Funds. These fees and other funds also provide the required state match for the EPA grants.

Environmental Health Protection receives funding through a variety of sources including federal grant dollars, fees, and funding through intergovernmental agreements with state and county partners. The section also receives a small amount of General Funds to help support its assessment and surveillance efforts, and to support the establishment of the Toxic Free Kids Program authorized in SB 478 during the 2015 legislative session. The section is proposing a request for General Fund in a

policy option package for 2017-2019 that would support the work associated with the Governor's Cleaner Air Oregon initiative. Cleaner Air Oregon is a new program announced by the Governor to overhaul industrial air toxics regulation in Oregon. This effort is being led by the Public Health Division and the Oregon Department of Environmental Quality. The policy option package would provide funding to support the work in this new program.

Other Funds revenue is received through intergovernmental agreements with county health authorities to support foodborne illness, public pool, and tourist facility health and safety activities. The Pesticide Exposure Safety and Tracking Program is funded with an intergovernmental agreement with Oregon Department of Agriculture, and the Brownfield Program receives its funding through Business Oregon. Fee-based revenue supports the Clandestine Drug Lab Program and some lead-based paint activities.

The section receives Federal Funds revenue from the Centers for Disease Control and Prevention grants for Climate and Health, Environmental Public Health Tracking, Domestic Well Safety, and Childhood Lead Poisoning Prevention; the National Institute for Occupational Safety and Health grant for Occupational Public Health; Agency for Toxic Substances and Disease Registry grant for Environmental Health Assessment; and Environmental Protection Agency grants for Radon Monitoring, Beach Monitoring, and Childhood Lead Monitoring and Lead Based Paint Monitoring.

Oregon Medical Marijuana Program (OMMP) section collects fees for issuing medical marijuana cards to qualifying patients and maintains a registry of those patients. The program also collects fees for the registration of grow sites, dispensaries and processing sites. Biennial revenues are approximately $25 million. Approximately $16 million of those revenues is transferred to other Public Health programs that include State Support for Local Public Health Departments, Safe Drinking Water Program, Emergency Medical Services, School Based Health Centers, Contraceptive Care, and WIC Farmers Market. However, program fee revenues may be reduced significantly during the 2015-2017 biennium and future biennia as a result of registered medical dispensaries, processors and growers opting to be licensed by OLCC to participate in the retail market.

Health Care Regulation and Quality Improvement section receives federal funding from the Centers for Medicare and Medicaid Services to perform health facility surveys and certification. The section also has a number of regulatory

responsibilities supported by fees. The Health Facility Licensing and Certification program funding sources include: certificate of need, hospital and health facility plan review, ambulatory surgery centers, birthing centers, dialysis facilities, hemodialysis technicians, home health agencies, hospice, caregiver registries, in home care agencies. This budget requests includes policy option packages to raise fees for hospice, in-home care agencies and health facility plan review services to support program current service levels.

Emergency Medical Services and Trauma Systems (EMS/TS) program receives federal funding from the Health Resources & Services Administration to administer the Oregon EMS for children program. In addition to federal funds, EMS/TS has four primary funding sources. Fees support the licensing and oversight of emergency medical services providers and ambulance services. EMS/TS also receives about $3.1 million per biennium from the Oregon Medical Marijuana Program in lieu of General Funds and ORS 137 directs roughly $331,000 per biennium from the Criminal Fines and Assessment Account.

During the 2015 legislative session SB 469 established the Hospital Nurse Staffing law and authorized General Funds to support this measure. The section also receives $1.95 million General Funds as a pass-through to support the Oregon Patient Safety Commission's Early Discussion and Resolution program.

The Health Licensing Office (HLO) collects fees for applications, examinations, issuance of license/registration, renewals of license/registration, disciplinary actions and other administrative fees. Each board, council and program has its own fees, which are used to cover administrative costs for it and HLO. They collect more than $7 million in fees, which continues to increase as new boards, programs or license types are added to HLO.

Proposed new laws that apply to the program unit

The center is funded almost entirely through fees and continuing federal grants. During 2015-2017, several fees have been established or adjusted. The fee establishment and adjustments were reviewed and approved by the Legislature during the 2015 and 2016 sessions. These include: Fee establishment and adjustments for the Oregon Medical Marijuana Program (HB 3400, 2015 session) fee adjustments for Drinking Water Services fees for water system operators, back flow testers, water system

construction plan review, and water system inspection; and fee adjustment for the Lead Based Paint accredited training providers (SB 5526, 2015 session). The center is proposing two legislative concepts for 2017. These include:

- A proposal to increase licensing fees for hospice and in-home care to support the current service level
- A placeholder proposal to amend current statutes to allow the agency to proactively address health concerns related to heavy metals, air quality, domestic wells and environmental toxins

Potential changes in the laws legalizing the use of marijuana could have significant impact on funds that come from the Oregon Medical Marijuana Program, which support core public health programs. The passage of SB 1511 during the 2016 session allows for the sale, production and processing of medical marijuana to be licensed and regulated by the Oregon Liquor Control Commission (OLCC). It is unknown at this time how many registered facilities will remain with OHA. This could significantly reduce or eliminate roughly $16 million in Oregon medical marijuana registration fees that are legislatively directed to fund core public health services. Registered medical marijuana dispensaries, processors and growers that opt to be licensed by OLCC to participate in the retail market could reduce OMMP fee revenue significantly during the 2015-2017 biennium.

OREGON HEALTH AUTHORITY: PUBLIC HEALTH DIVISION

Program Unit Narrative: Center for Prevention and Health Promotion

Expenditures by fund type, positions and full-time equivalents:

	General	Other/Lottery	Federal	Total Fund	Pos.	FTE
Leg. Approved 15-17	$ 19.4	$ 78.4	$ 246.8	$ 344.6	216	207.02
Agency Request 17-19	$ 21.7	$ 77.0	$ 252.6	$ 351.3	201	197.83
Difference	$ 2.3	$ (1.4)	$ 5.8	$ 6.7	(15)	(9)
Percent Change	12%	-2%	2%	2%	-7%	-4%

The Agency Request Budget of $351.3 continues funding for the Center for Prevention and Health Promotion programs at the current service level for 2017-2019.

Activities, programs and issues in the program unit base budget

The Center for Prevention and Health Promotion's mission is to help Oregon's communities and residents to achieve and sustain lifelong health, wellness and safety through partnership, science and policy. The center has five sections that primarily address these health issues:

- Prevention of risks leading to lifelong and costly chronic diseases
- Provision of adequate nutrition and access to healthy foods
- Child developmental delays

- Oral health across the lifespan
- Injuries, toxic stress, violence and unsafe relationships
- Physical and behavioral problems

The center promotes policy and system changes that lead to reduction of risks, such as:

- Reducing tobacco use
- Increasing access to healthy food, healthy eating and physical activity for all Oregonians
- Reducing risky prescribing of opioids
- Increasing stability and safety in families
- Increasing access to healthy options
- Decreasing health disparities

In collaboration with stakeholders and partners across Oregon, the center invests resources to address health problems and inequities statewide. It does this via data- and analysis-driven changes in policy and systems. Those partners and stakeholders include:

- Local public health departments and mental health providers
- Primary health care providers and health systems
- Early child care, early learning, primary and secondary education systems
- Dental care systems
- Health care systems
- Diverse community-based organizations
- Aging services
- Land use and transportation agencies
- Emergency medical providers
- Law enforcement

- Tribes
- Academic institutions
- Employers
- Parents and youth

The center is engaged in numerous health equity and inclusion strategies as reflected in Oregon's State Health Improvement Plan (SHIP). These target various health disparities across the numerous SHIP strategic objectives including tobacco use, secondhand smoke, access to healthy foods, physical activity, breastfeeding, participation in the Diabetes Prevention Program, access to recreational opportunities, weight management and chronic disease self-management, alcohol consumption, opioid overdose, oral health, and suicide prevention. In addition, the center is leading an effort to build health equity capacity within the division to include:

- Recruiting and developing a division-wide health equity committee charged with adopting a comprehensive health equity conceptual framework designed to foster a deeper understanding of how the social determinants of health influence health disparities and inequities;
- Revisiting previous health equity planning and identifying gaps;
- Consulting and collaborating with the OHA Office of Equity and Inclusion, regional health equity coalitions, and affected communities and populations regarding comprehensive health equity planning and development;
- Assessing our ability to identify inequities in communities, identifying ways to increase data collection capacity to include collection around REALD (race, ethnicity, language and disability) and highlighting the most striking inequities and communicating those through clear, consistent and widespread messages to decision-makers, affected communities, partners, and the general public;
- Examining data on social determinants of health (SDOH) by race, ethnicity and language, place, poverty status, and SDOH indicators such as housing, transportation, agriculture, labor, and education; selecting, designing, implementing and evaluating additional health equity strategies for the SHIP and applying equity impact assessments to all proposed strategies to determine their likelihood of effectively impacting targeted disparities;

- Building PHD organizational structures, policies and supports to promote health equity, diversity, workforce development and cultural responsiveness;
- Examining the state's Health in All Policies and Health Impact Assessment approaches to determine how our current work to address SDOH might be strengthened to increase collective impact; and
- Facilitating and promoting multi-sector leadership teams, coalitions and community engagement across the state to promote targeted strategies.

Any additional important background for decision makers that is not mentioned above. Include trends in caseload, workload or other external factors that may influence the operation of the program

Adolescent, Genetics and Reproductive Health promotes health, well-being and quality of life for all Oregonians through the development and use of evidence-based policies, tools, educational resources, programs and clinical preventive services to support adolescent, sexual and reproductive health across the lifespan. More specifically, the section:

- Monitors the health status of adolescents, showing data by race and ethnicity, sex, gender identity, sexual orientation and geographic location
- Promotes the adoption of evidence-based programs and practices that support positive youth development
- Develops public health systems and public-private partnerships that provide high-quality guidelines-based preventive health services for adolescents, women of reproductive age and individuals at high risk from genetic conditions, and
- Through the school-based health centers (SBHCs), family planning clinics, and the Breast and Cervical Cancer program, provides access to underserved populations, targets disparities and collectively serves more than 125,000 adolescents and adults each year.

Health Promotion and Chronic Disease Prevention (HPCDP*)* works to help people eat better, move more, live tobacco-free, and take care of themselves. HPCDP does this by:

- Analyzing and monitoring the occurrence of chronic diseases and their risk factors by demographic characteristics such as gender, race, ethnicity, geography, income, disability, education, age, etc. and
- Developing and administering programs and promoting policies to prevent chronic diseases and associated risk factors

Chronic diseases include asthma, arthritis, cancer, diabetes, heart disease and stroke. Risk factors for chronic conditions include tobacco use, alcohol and drug misuse, physical inactivity, and poor nutrition. Examples of HPCDP's strategies to prevent and manage chronic disease include:

- Funding for local public health authorities, tribes, regional health equity coalitions and coordinated care organizations to work on evidence-based tobacco cessation and community-based strategies to address the CCO tobacco incentive metric, and implement the new Health Evidence Review Commission's required tobacco cessation benefits
- Implementing a marijuana prevention media campaign to prevent or delay initiation of marijuana use among Oregonians ages 12-20
- Funding for local public health authorities, tribes, and other diverse communities to collaborate on local approaches to reduce tobacco use, alcohol and drug misuse, and increase access to healthy eating and physical activity

Injury Prevention and Violence Prevention (IVPP) works with people to help prevent injuries and deaths due to violence, suicide, prescription drugs, senior falls, motor vehicle crashes, child maltreatment, and unintentional injuries. Some of IVPP's strategies include:

- Providing the Web-based Prescription Drug Monitoring Program, which serves 13,000 prescribers and pharmacists to inform clinical practice
- Establishing opioid prescribing guidelines and working within health systems and CCOs to use them to will improve patient safety, reduce incidence of opioid use disorder, and reduce unintentional prescription opioid overdose
- Working with the judicial system and the alcohol treatment system to increase the use of interlock systems in the motor vehicles of persons convicted of driving under the influence of alcohol

- Working with diverse communities, tribal health service hospitals, health care and behavioral health care agencies to establish zero-suicide initiatives to reduce suicide
- Development with partners of an EPIC software module for assessment of senior fall risk that is being adopted in Oregon and nationwide through EPIC;
- Improving patient care and care coordination with regard to opioid prescription with implementation of HB 4124 (2015) which modifies the Prescription Drug Monitoring Program (PDMP) to allow authorized practitioners or pharmacists to access PDMP information through a health information technology system when certain criteria are met, and allowing pharmacists and other specific health professionals to prescribe and dispense one-dose naloxone to individuals or family members who have completed training.

Additionally, IVPP manages the Oregon Emergency Medical Services data system, the Oregon Trauma Registry, and the Oregon Violent Death Reporting System. These systems and other administrative data are used to track key information on the health status of Oregonians and provide information to inform policy and improve practices in the community and within institutions

Maternal and Child Health (MCH) promotes health across the lifespan of individuals and families by investing in preconception, pregnancy and early childhood health. Its programs address perinatal health (before, during and after pregnancy), infant and child health, newborn hearing screening, home visiting, oral health and family violence prevention. Through partnerships with local public health, other state agencies, and health care and early learning providers, MCH serves Oregon's population in general, as well as those most vulnerable to poor health outcomes (safety net). To better understand and identify changing problems and population needs, the program monitors the health of Oregon's pregnant women and families with toddlers through the Pregnancy Risk Assessment and Monitoring System (PRAMS, PRAMS 2); and monitors the state of oral health through the Oregon Oral Health Surveillance System. The program manages data systems for infant hearing screenings, the home visiting system and its programs, and statewide oral health, showing data by race and ethnicity.

MCH is the home of Oregon's Title V program. This program supports state and local initiatives across six population domains that focus on well-women care, breastfeeding, child physical activity, adolescent well visits, medical home, transition into adulthood, oral health, smoking cessation and reduced exposure for children, toxic stress, and trauma, food insecurity, and culturally and linguistically responsive services. Title V supports the following activities:

- Assessment and monitoring of MCH health needs and disparities
- Policy and program development
- Workforce development
- Program assurance through technical assistance and oversight
- Coordination with state agencies and community partners
- Systems development to better address the needs of Oregon's MCH population, including children and youth with special health needs
- Statewide health promotion activities

Nutrition and Health Screening (NHS) The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) safeguards the health of low-income women, infants, and children up to age 5 who are at nutritional risk by providing nutritious foods to supplement diets, information on healthy eating and referrals to health care. The Oregon Farm Direct Nutrition Program (FDNP) provides WIC families and low income seniors with FDNP checks once a year to purchase fresh, locally-grown fruits, vegetables and cut herbs directly from local farmers. The program services are delivered through public health and non-profit programs. They focus on:

- Maternal and child growth and health
- Breastfeeding education and support, including peer-to-peer breastfeeding support through the WIC Breastfeeding Peer Counseling Program
- Nutrition and physical activity
- Promotion of a healthy lifestyle and prevention of chronic diseases including obesity
- Culturally and linguistically appropriate services and materials

The program also influences the larger community food environment by requiring WIC-authorized grocery stores to carry a minimum stock of low-fat milk, whole grains, low-sugar cereals, and produce. The foods available through WIC offer a variety that is culturally appropriate for the wide range of families served. The program collaborates with farmers and farmers markets statewide to provide vouchers for fresh produce for WIC families and low-income seniors. WIC provides critical surveillance data on the maternal and child population by race, and ethnicity and other demographcis, evaluates programs and carries out competitively funded research studies. In 2016 Oregon WIC converted all benefits from paper to an electronic benefit transfer (EBT) system.

NHS program staff provide a variety of training to local paraprofessional staff who deliver WIC services. Annual civil rights training is also provided. The 2016 training focusing on services to Limited English Proficiency participants, and the 2016 statewide training conference will include sessions on cultural competency including focused training on implicit bias.

Revenue sources and proposed revenue changes

The 2017-2019 biennial budget request for the Center for Prevention and Health Promotion is 6% General Fund, 72% Federal Funds and 22% Other Funds.

General Fund for Center for Prevention and Health Promotion include funding for the School Based Health Centers (SBHCs) program and the Oregon Contraceptive Care program (Family Planning Waiver program). Additionally during the 2015 session several measures were passed that included General Fund for specific activities. SB 698 provided General Funds for a state school nurse consultant, SB 5507 provided increased parity of funding to SBHCs and three new SBHCs, SB 606 provided funding for the Dental Pilot Program, and SB 660 provided funding for the training, certification and monitoring of school-based dental sealant programs.

Federal Funds for the center include funding under the Centers for Disease Control and Prevention grants for Core Injury Prevention, National Violent Death Reporting System, Prevention for States Prescription Drug Overdose Prevention; the

Substance Abuse and Mental Health Services Administration (SAMHSA) grants for Youth Suicide Prevention and Early Intervention and State Prevention Framework for Preventing Prescription Drugs; U.S. Department of Agriculture WIC Nutritional and Health Screening Program; Health Resources and Services Administration (HRSA) for Maternal and Child Health Title V and Home Visiting programs; and the Medicaid Title XIX entitlement supporting the Oregon Contraceptive Care program (Family Planning Waiver program) which provides a 9:1 Medicaid match through the Centers for Medicare and Medicaid Services.

Other Funds revenue for the center include statutorily dedicated funds under the Tobacco Use Reduction Account (TURA) and Tobacco Master Settlement Agreement revenue for tobacco prevention and cessation; beer and wine tax revenues for substance abuse prevention; and revenues from the Oregon Medical Marijuana Program that helps support the Oregon Contraceptive Care Program (family planning) and the School Based Health Center programs. Additionally, HB 4014 (2016) authorizes use marijuana revenues from the Oregon Liquor Control Commission to pilot a youth marijuana prevention campaign.

The center is primarily funded through competitive federal grants. Federal grant award amounts continue to remain flat or decline through 2015-2017 and are expected to continue this trend during 2017-2019. The center will need to adjust program service levels accordingly. During 2017-2019 the center also will see some continued changes in funding levels and program services as a result of health system transformation.

Proposed new laws that apply to the program unit

The programs in the Center for Prevention and Health Promotion are accountable for federal laws and regulations that govern the federal funding resources implemented through the Center.

The program unit is proposing a legislative concept for 2017 to require ambulances and emergency medical services providers to report electronic patient care data to the state emergency medical services data system. In addition, this concept requires trauma centers to report a discrete set of patient disposition information back to the transport agencies that provided emergency medical services. The automation of the electronic patient information will improve efficiency and save time for both hospital

staff and transport staff while creating a seamless record of patient care from the time of a call for emergency services to discharge from the hospital. These disaggregated data are used for quality improvement, research and public health practice.

OREGON HEALTH AUTHORITY: PUBLIC HEALTH DIVISION

Program Unit Narrative: Center for Public Health Practice

Expenditures by fund type, positions and full-time equivalents:

	General	Other/Lottery	Federal	Total Fund	Pos.	FTE
Leg. Approved 15-17	$ 14.1	$ 96.5	$ 89.1	$ 199.7	287	283.53
Agency Request 17-19	$ 15.6	$ 97.2	$ 89.6	$ 202.4	283	279.58
Difference	$ 1.5	$ 0.7	$ 0.5	$ 2.7	-4.00	-3.95
Percent Change	11%	1%	1%	1%	-1%	-1%

The Agency Request Budget of $202.4 continues funding for the Center for Public Health Practice programs at the current service level for 2017-2019. This request includes Policy Option Package 411 for $248.683 to improve the lifelong health of all Oregonians.

Activities, programs and issues in the program unit base budget

The Center for Public Health Practice protects the health of individuals and communities through the prevention and control of infectious diseases, provision of integrated care and treatment for persons living with HIV, issuing Oregon vital records, monitoring population health, and ensuring emergency public health services in natural and human-caused disasters. The center's programs are the essential services in the state public health's Continuity of Operations Plan.
The center has six sections:

- Center for Health Statistics, also known as vital records – birth, death and marriage certificates
- Acute and Communicable Disease Prevention

- Oregon State Public Health Laboratory
- HIV, Sexually Transmitted Diseases and Tuberculosis Prevention,
- Immunizations
- The federally-funded programs for Health Security, Preparedness and Response

In collaboration with stakeholders, the center invests resources to reduce the burden of disease and health inequities across the state. The center's programs work with local and tribal governments, a wide range of community partners, health care providers, and affected communities to prevent, investigate and control infectious diseases. It coordinates interventions to control disease outbreaks. It also screens all newborn infants for biochemical disorders to prevent disability or death, and collects and analyzes vital record data needed to understand and plan for health trends. As part of public health emergency preparedness, the center also conducts testing for biological agents of mass destruction (e.g., anthrax, plague) and emerging public health events and diseases (e.g., wildfires, Zika, Ebola).

The Center for Public Health Practice delivers the core public health services necessary to maintain a healthy population and to recover from disasters. Preventable disease vaccine programs ensure that children are healthy enough to attend school regularly and learn successfully. Its interventions for influenza and foodborne disease outbreaks (e.g., salmonella, hepatitis, norovirus) allow parents to attend work and sustain a healthy economy. Its HSPR programs coordinate the surge capacity of hospitals and public health agencies to respond in health emergencies (e.g., floods, wildfires, pandemics and earthquakes). The center's HIV program works with clients and their local providers to ensure that persons with HIV take the medicines they need to render them non-infectious and control the spread of HIV. The center's services are delivered every day of every week throughout the year. Duty officers are on call 24/7 at the public health lab, Acute and Communicable Disease program and Health Security, Preparedness and Response program.

Programs in the Center for Public Health Practice are engaged or working toward the following health equity and inclusion strategies:

- Increasing cultural competency assessment among staff

- Increasing workforce diversity efforts
- Conducting health equity impact analyses on new and existing efforts

Additional program specific strategies are identified in section narratives.

Any additional important background. Include trends in caseload, workload or other external factors that may influence the operation of the program

Below are highlighted activities among the Center for Public Health Practice programs:

Center for Health Statistics, also known as Vital Records, is responsible for registering, certifying, amending, and issuing Oregon vital records, including:

- Maintaining approximately 6 million vital records for birth, death, marriage, divorce, fetal death
- Registering 132,000 vital events that occur in Oregon annually
- Issuing 167,000 certified copies of records and 40,000 amendments annually

Acute and Communicable Disease Prevention (ACDP) section works with Oregon's local health departments, tribal health jurisdictions, health care providers, and community members to identify diseases, collect case information, identify risk factors and means of transmission, protect exposed individuals, and stem community transmission.

ACDP works to identify and prevent the spread of communicable diseases such as salmonellosis, *E. coli* O157 infection, meningococcal disease, influenza, hepatitis, and antibiotic-resistant bacteria. These diseases, which cause significant illness and death, often disproportionately affect people of color, people with limited English proficiency, people with disabilities; and the people in the lesbian, gay, bisexual, transgender and queer communities. ACDP works with all stakeholders to reduce disease transmission through various pathways including food, water, animals, insects, human contact, and in health care.

The Oregon State Public Health Laboratory comprises three sections: Communicable Disease Testing, Newborn Screening, and Laboratory Compliance. The laboratory performs 11.2 million tests on 400,000 human specimens annually, including newborn screening of all infants born in Oregon, Alaska, Idaho, New Mexico and Hawaii. The lab's specimens come from 34 local health departments and 68 hospital and clinical labs in Oregon, as well as 3,000 individual medical practitioners in the region. The Laboratory Compliance section oversees certification of clinical laboratories and accredits environmental laboratories that monitor the safety of drinking water, and is responsible for accrediting cannabis laboratories in Oregon. The OSPHL is also responsible for emergency laboratory response to biological and chemical threats throughout Oregon. The lab supports the OHA mission through the following statewide and multi-state activities:

- Medical laboratory tests for state and local health department communicable disease control programs for purposes of disease diagnosis, prevention, surveillance, and treatment
- Tests for food, water and other environmental samples for evidence of microbial contamination
- Providing 2 million tests annually of 287,000 newborn babies for genetic disorders of body chemistry that can cause severe mental retardation or death if undetected
- Providing highly specialized reference tests that are unavailable elsewhere, especially for diseases of public health significance (rabies, anthrax, botulism, tuberculosis, *E. coli* serotyping, Zika and newly identified pathogens)
- Responding to public health emergencies including outbreaks of infectious diseases and bioterrorism
- Ensuring, through regulation, the quality of testing in 3,100 medical, marijuana, environmental, and drug screening laboratories throughout Oregon

HIV, Sexually Transmitted Diseases and Tuberculosis Prevention

The HIV, STD and TB section encompasses:

- HIV care and treatment (CAREAssist and HIV Community Services)
- HIV behavioral surveillance
- HIV/STD prevention
- TB prevention and disaggregated data analysis, which includes the Medical Monitoring Project

The section's client population includes individuals who are already diagnosed with HIV, STDs or TB, as well as individuals at risk. The section specifically targets resources to populations that are disproportionately affected, such as people who inject drugs, men who have sex with men, people of color, immigrants and refugees. Services promote sustainable adherence to medications, improved health outcomes and the elimination of HIV/STD/TB transmission. Funded services include medications and medical services for uninsured or under-insured low income Oregonians diagnosed with HIV/STD/TB; case management, disease intervention and linkage to care; HIV/STD/TB testing services; condom distribution; and disease monitoring and evaluation.

The **Immunization** section works collaboratively with county health departments, immunization providers and local (county) coalitions, which include a diverse range of participants and focus on meeting vaccination needs in vulnerable populations, to reduce the incidence of vaccine-preventable disease in Oregon by:

- Supporting the state's immunization infrastructure
- Identifying and promoting evidence-based public health practices
- Collecting immunization data (available by age, gender, and race) from health care providers to achieve complete and timely immunization of all Oregonians

The program maintains: the ALERT Immunization Information System (IIS); provider services to manage the federal Vaccines for Children (VFC) program; school law; and readiness and epidemiology, which includes serving as a CDC IIS Sentinel Site. Immunization promotes the health of all Oregonians by investing in activities that ensure access for all to vaccines. These efforts include the work of the Vaccines for Children program, which provides vaccine at no cost to 52 percent of Oregon's children, who might not otherwise be vaccinated due to inability to pay; support for the Immunize Oregon Coalition, whose work focuses on partnering to ensure vaccine opportunities for underrepresented communities; the use of ALERT immunization information system data to identify pockets of need across gender, race or ethnicity; or our new Equity workgroup which is developing a diversity based internship for a bachelor- or master-level student in hopes of broadening our hiring recruitment pools.

The Health Security, Preparedness and Response (HSPR) section develops public health systems to prepare for and respond to threats and emergencies that affect the health of people in Oregon. HSPR emphasizes cultural responsiveness while working closely with tribal governments, hospitals and health care systems, emergency medical services, law enforcement, fire and local public health authorities to build community resiliency through emergency preparedness planning, training, exercises and coalition building. The partnerships include funding for health care and public health programs in local and tribal agencies, as well as support for essential public health functions related to communications, laboratory services and disease control. The program works to ensure equitable inclusion of persons with limited English proficiency and other language and access needs in planning activities. Current planning activities address:

- Cascadia Subduction Zone earthquakes
- Emerging infectious diseases such as Zika virus
- Mass casualty response
- Seasonal hazards such as wildfires, floods, heat waves, and drought

HSPR also manages:

- State Emergency Registry of Volunteers in Oregon, with 2,750 licensed health professionals registered and trained to help all communities during a disaster. In 2016 SERV-OR provided free counseling services for 16 weeks in Douglas County in response to the mass shooting at Umpqua Community College.
- AmeriCorps VISTA program, which places new public health professionals in public health and nonprofit agencies for one year of national service in order to build public health capacity and eliminate poverty. HSPR oversees 60 national service volunteers annually.
- Critical public health information platforms such as the Health Alert Network and Hospital Capacity System, which allow 24/7/365 mass communication and situational awareness between public health and health care organizations with the option for hearing-impaired communication.

Revenue sources and proposed revenue changes

The 2017-2019 Center for Public Health Practice budget request is composed of 8 percent state General Fund, 44 percent Federal Funds, and 48 percent Other Funds.

While the center has been successful in writing grants, the majority of funding is categorical, finite and directed toward federal priorities, which do not always align with state-defined priorities. Given that the center's work to protect Oregonians is funded mostly by CDC and HRSA, our staff focus must be on federally prescribed deliverables. The center's programs have responded creatively to state-directed work while continuing to meet grant objectives. This is particularly true in the areas of communicable disease prevention and immunization, which require a base level of infrastructure to operate effectively.

Oregon's General Fund revenue accounts for 8% of the overall budget. It is used to pay for staff, supplies and equipment necessary to coordinate and deliver services to Oregonians. The center pays counties to deliver the Vaccines for Children program, using Medicaid matching funds generated by the use of state General Fund.

In the HIV, STD and TB prevention (HST) section, federal funding for HIV care and treatment programs has remained level in recent years; however the CAREAssist program has seen rapid growth in revenue generated as a result of the pharmacy model implemented in 2010-2011. Though the program has seen a large increase in available funding, factors such as restricted use of the funds and staffing limitations have inhibited the program's ability to increase spending, which resulted in a $34.8 million Other Fund carryover balance from the 2013-2015 to 2015-2017 biennium. A proposal is under development to use these available resources to increase program capacity and expand HIV prevention services in order to eliminate HIV transmission in Oregon.

All other programs in the HST section are seeing funding stabilize after several years of consistent funding decreases in federal awards, and anticipate relatively flat funding for the remainder of current project periods.

State funding supports three critical areas for the Immunization section: support for local public health as pass-through dollars to the counties; a maintenance and support contract with Hewlett Packard Enterprise for ALERT immunization information system; and general staff and infrastructure support for the program. Due to the overall growth of ALERT, the maintenance and support contract continues to increase and strains program resources. Increasing CDC requirements attached to the Immunizations cooperative agreement also strain the program's ability to meet requirements while also maintaining our support for Oregon counties.

The Acute and Communicable Disease Prevention section receives about $10 million per biennium from CDC, primarily through the Emerging Infections Program and the Epidemiology and Laboratory Capacity grants. Along with roughly $1 million from State General Fund, these grants support communicable disease monitoring, outbreak investigation, interventions and evaluation activities. The program maintains Orpheus, a statewide case reporting and outbreak information system, as well as ESSENCE, a statewide syndromic surveillance system that monitors all emergency department visits (data available by race and ethnicity via a medical record or using CDC-specified designations). As CDC-required activities and the cost of informatics infrastructure continue to expand, program resources are increasingly stretched. The growth of funding and program activities focus largely on reducing health care-associated infections and antimicrobial-resistant disease strains.

The Oregon State Public Health Laboratory's biennial budget is approximately $XX million, of which X percent comes from General Fund, XX percent comes from federal funds and XX percent from fees. In the 2013-2015 biennium, the cost of operating OSPHL far outpaced revenues and OSPHL assumed additional responsibilities for accrediting marijuana testing laboratories. Work is underway to amend Oregon Administrative Rules to update the environmental laboratory fee schedule to cover the costs of accrediting marijuana laboratories. Work is also underway to evaluate the costs of providing newborn screening services in Oregon. The current fee structure for Oregon is below the national average, and the program is evaluating whether it can continue this trend. On January 1, 2016, an out-of-state fee increase went into effect. The evaluation will include an analysis of whether a proposal should be taken forward to increase Oregon newborn screening fees to align with out-of-state fees.

Communicable disease testing fees also are under review. Communicable disease testing increases access to health care by providing testing regardless of ability to pay or insurance coverage. Primary submitters are local health departments and community clinics. OSPHL bills for as many tests as possible using the Medicaid fee-for-service fee schedule, but does not recover enough revenue to fund the testing. New laboratory technology is changing the number and types of specimens sent to OSPHL, shifting the workload to OSPHL without corresponding funding to support the testing. OSPHL is also experiencing increased costs associated with maintaining laboratory information systems to support electronic data collection and transmission among local, state and federal partners. The center has contracted with a consulting firm to assess OSPHL business practices and operations in order to recommend a business model that is financially and operationally sustainable. Recommendations are due in October 2016.

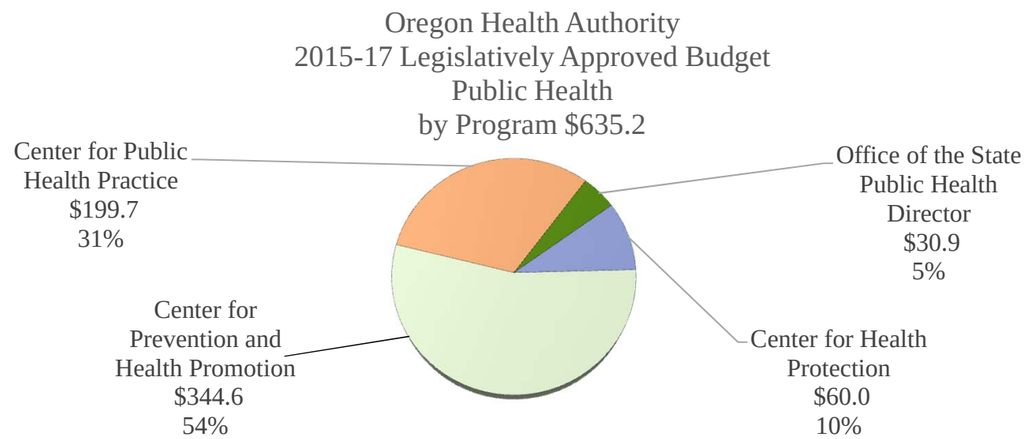
The Center for Health Statistics' budget comprises XX percent Other Funds, primarily in the form of fees for services and XX percent federal funds, in the form of deliverable-based contracts for timely and accurate birth and death data. Other funding includes payments from state agencies that use vital records information to conduct their business. Vital records fees were increased on January 1, 2016, to ensure that the program remained solvent throughout the 2015-2017 biennium. Fees from the sale of birth certificates comprises most of the fee revenue. The remaining revenue comes from sales of other types of certificates and extra fees for expedited processing and amendments. Revenue projections for 2015-2017 account for an expected decline in the number of birth certificates sold starting July 1, 2016. After July 1, 2016, persons renewing their driver's license will have already provided evidence of citizenship to DMV and will no longer need to purchase a birth certificate from CHS; thus there will be an expected decline in birth certificate sales.

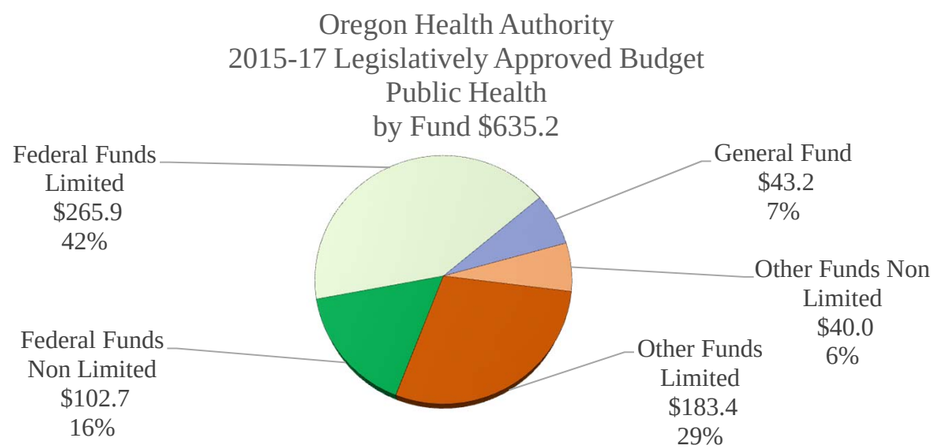
The Health Security, Preparedness and Response section is funded through two federal grants, Public Health Emergency Preparedness and the Healthcare Preparedness Program. The program's biennial budget is about $22 million, which funds state and local health department preparedness staff and activities, regional health care coalitions, and grants to partners for innovative community planning and response.

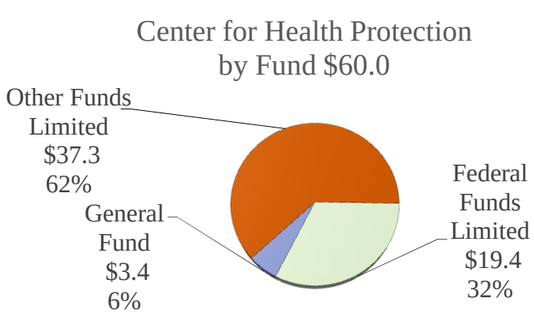
Proposed new laws that apply to the program unit

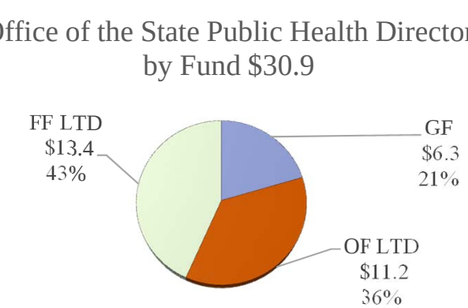
During 2015-2017, fees for environmental laboratory accreditation have been established or adjusted via the SB 333 process in Oregon Administrative Rules. The fee changes are to provide revenues to support the environmental laboratory accreditation program current service level.

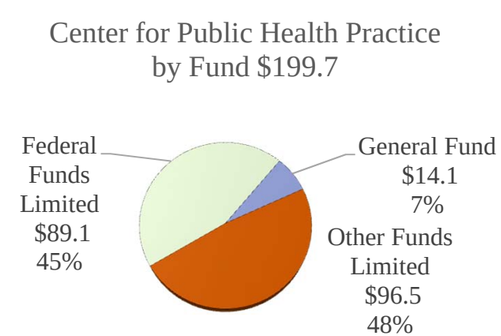
Other than ratification of the fee increases during the 2017 session, no new laws have been proposed that directly affect this program unit.

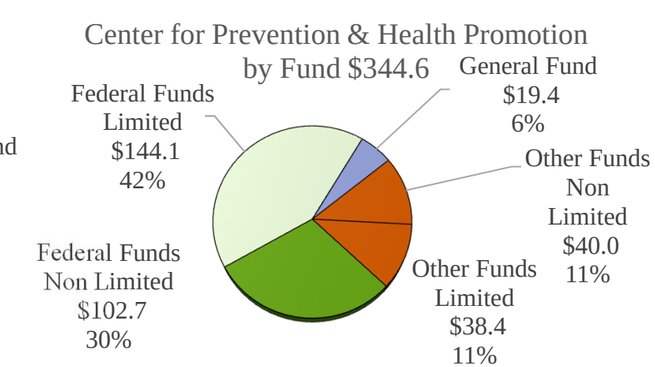

Oregon Health Authority
2015-17 Legislatively Approved Budget
Public Health
by Program $635.2
Center for Public Health Practice $199.7 31%
Office of the State Public Health Director $30.9 5%
Center for Health Protection $60.0 10%
Center for Prevention and Health Promotion $344.6 54%

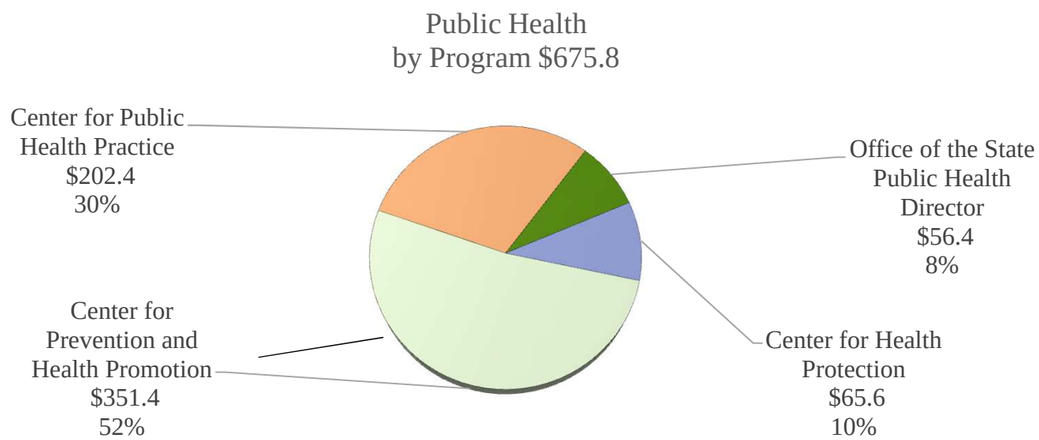

Oregon Health Authority
2015-17 Legislatively Approved Budget
Public Health
by Fund $635.2
Federal Funds Limited $265.9 42%
General Fund $43.2 7%
Other Funds Non Limited $40.0 6%
Other Funds Limited $183.4 29%
Federal Funds Non Limited $102.7 16%

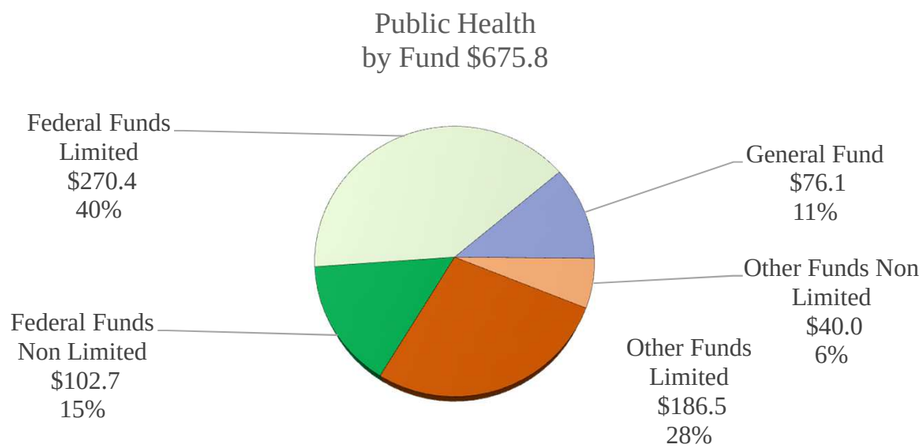

Center for Health Protection
by Fund $60.0
Other Funds Limited $37.3 62%
General Fund $3.4 6%
Federal Funds Limited $19.4 32%

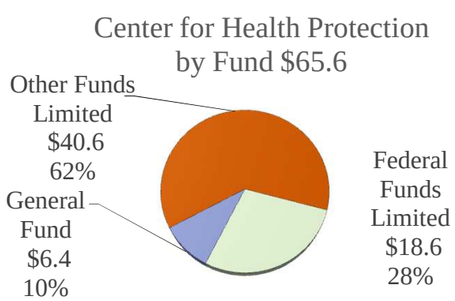

Office of the State Public Health Director
by Fund $30.9
FF LTD $13.4 43%
GF $6.3 21%
OF LTD $11.2 36%

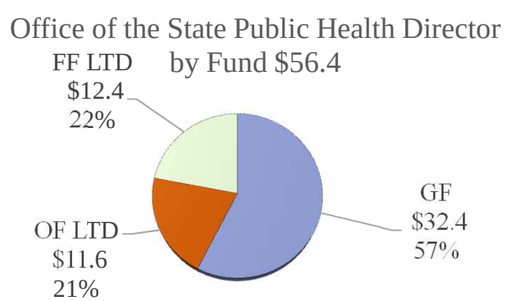

Center for Public Health Practice
by Fund $199.7
Federal Funds Limited $89.1 45%
General Fund $14.1 7%
Other Funds Limited $96.5 48%

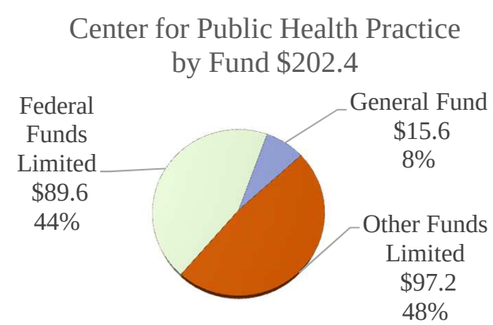

Center for Prevention & Health Promotion
by Fund $344.6
Federal Funds Limited $144.1 42%
General Fund $19.4 6%
Other Funds Non Limited $40.0 11%
Federal Funds Non Limited $102.7 30%
Other Funds Limited $38.4 11%

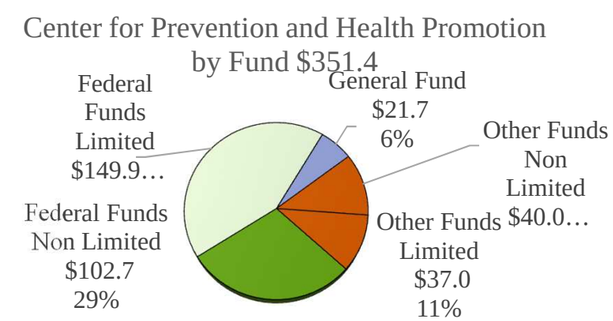

Public Health
by Program $675.8
Center for Public Health Practice $202.4 30%
Office of the State Public Health Director $56.4 8%
Center for Health Protection $65.6 10%
Center for Prevention and Health Promotion $351.4 52%


Public Health
by Fund $675.8
Federal Funds Limited $270.4 40%
General Fund $76.1 11%
Other Funds Non Limited $40.0 6%
Other Funds Limited $186.5 28%
Federal Funds Non Limited $102.7 15%


Center for Health Protection
by Fund $65.6
Other Funds Limited $40.6 62%
General Fund $6.4 10%
Federal Funds Limited $18.6 28%


Office of the State Public Health Director
by Fund $56.4
FF LTD $12.4 22%
GF $32.4 57%
OF LTD $11.6 21%


Center for Public Health Practice
by Fund $202.4
Federal Funds Limited $89.6 44%
General Fund $15.6 8%
Other Funds Limited $97.2 48%


Center for Prevention and Health Promotion
by Fund $351.4
Federal Funds Limited $149.9…
General Fund $21.7 6%
Other Funds Non Limited $40.0…
Federal Funds Non Limited $102.7 29%
Other Funds Limited $37.0 11%

Public Health Programs by	
Office of the State Public	$ 56.4
Center for Health	$ 65.6
Center for Prevention	$ 351.4
Public Health	$ 202.4

Public Health Programs by	
General Fund	$ 76.1
General Fund	$ -
General Fund	$ -
Lottery Funds	$ -
Other Funds O	$ -
Other Funds N	$ 40.0
Other Funds L	$ 186.5
Other Funds D	$ -
Federal Funds	$ 102.7
Fenderal Fund	$ -
Federal Funds	$ 270.4

Office of the State Public	
General Fund	$ 32.4
General Fund	$ -
General Fund	$ -
Lottery Funds	$ -
Other Funds O	$ -
Other Funds N	$ -
Other Funds L	$ 11.6
Other Funds D	$ -
Federal Funds	$ -
Fenderal Fund	$ -
Federal Funds	$ 12.4

Center for Health	
General Fund	$ 6.4
General Fund	$ -
General Fund	$ -
Lottery Funds	$ -
Other Funds O	$ -
Other Funds N	$ -
Other Funds L	$ 40.6
Other Funds D	$ -
Federal Funds	$ -

65.6

Fenderal Fund	$	-
Federal Funds	$	18.6

Center for Prevention and Health Promotion			
General Fund	$	21.7	
General Fund	$	-	
General Fund	$	-	
Lottery Funds	$	-	
Other Funds O	$	-	
Other Funds N	$	40.0	351.4
Other Funds L	$	37.0	
Other Funds D	$	-	
Federal Funds	$	102.7	
Fenderal Fund	$	-	
Federal Funds	$	149.9	

Center for Public Health Practice			
General Fund	$	15.6	
General Fund	$	-	
General Fund	$	-	
Lottery Funds	$	-	
Other Funds O	$	-	
Other Funds N	$	-	202.4
Other Funds L	$	97.2	
Other Funds D	$	-	
Federal Funds	$	-	
Fenderal Fund	$	-	
Federal Funds	$	89.6	

Oregon Health Authority Public Health 44300-030-05-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
GENERAL FUND **REVENUES** General Fund Appropriation	0050	GF	41,115,946	43,249,707	76,107,260
TOTAL REVENUES		**GF**	**41,115,946**	**43,249,707**	**76,107,260**
TOTAL GENERAL FUNDS		**GF**	**41,115,946**	**43,249,707**	**76,107,260**
OTHER FUNDS **REVENUES** Beginning Balance	0025	OF	14,707,316	8,548,254	56,144,843
Beginning Balance Adjustment	0030	OF	-	4,845,000	-
Other Selective Taxes	0190	OF	285,423	-	-
Business License & Fees	0205	OF	9,253,017	12,780,000	12,780,000
Non-Business License & Fees	0210	OF	13,344,920	16,747,558	16,747,558
Charges for Services	0410	OF	23,100,551	24,518,523	24,518,523
Administrative Service Charges	0415	OF	261,232	-	-
Fines and Forfeitures	0505	OF	275,946	112,152	112,152
Interest Income	0605	OF	35,728	5,568	5,568
Sales Income	0705	OF	6,352,243	5,364,626	5,364,626
Donations	0905	OF	334,420	283,030	283,030
Grants (Non-FED)	0910	OF	1,013,119	1,188,283	1,188,283

Oregon Health Authority Public Health 44300-030-05-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
Other Revenues	0975	OF	87,809,614	136,327,849	145,490,812
TOTAL REVENUES		**OF**	**156,773,529**	**210,720,843**	**262,635,395**
TRANSFER IN					
Transfer in Intrafund	1010	OF	30,291,376	-	-
Transfer in Other	1050	OF	-	354,831	354,831
Transfer in Administrative Services	1107	OF	-	4,120,000	4,120,000
Transfer in Revenue Department	1150	OF	331,824	16,021,195	15,475,824
Transfer in Department of Energy	1330	OF	69,932	49,924	51,771
Transfer in HECC	1525	OF	12,350	-	-
Transfer in Agriculture	1603	OF	116,225	244,049	253,079
Transfer in Department of Transportation	1730	OF	445,080	-	-
Transfers in Health Lic Agency	1831	OF	2,511,122	-	-
Transfer in Health Relations Licensing Board	1833	OF	39,546	36,450	36,450
Transfer in Board of Dentistry	1834	OF	171,320	176,000	186,800
Transfer in Oregon Medical Board	1847	OF	751,680	755,680	830,506
Transfer in Board of Nursing	1851	OF	121,005	135,430	163,395
Transfer in Board of Pharmacy	1855	OF	430,245	283,590	352,747

Oregon Health Authority Public Health 44300-030-05-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
Transfer in Housing and Commercial Services	1914	OF	204,832	-	-
TOTAL TRANSFERS IN		**OF**	**35,496,537**	**22,177,149**	**21,825,403**
TRANSFER OUT					
Transfer to Intrafund	2010	OF	(14,330,759)	-	-
Transfer to Health Relations Licensing Board	2833	OF	-	(987,107)	(987,107)
TOTAL TRANSFERS OUT		**OF**	(14,330,759)	(987,107)	(987,107)
TOTAL OTHER FUNDS		**OF**	**177,939,307**	**231,910,885**	**283,473,691**
FEDERAL FUNDS REVENUES					
Federal Funds Revenue	0995	FF	318,475,874	388,349,406	392,911,531
TOTAL REVENUES		**FF**	**318,475,874**	**388,349,406**	**392,911,531**
TRANSFERS IN					
Transfer in OR Business Development	1123	FF	55,219	-	-
TOTAL TRANSFERS IN			55,219	-	-
TRANSFERS OUT					
Transfer to Economic & Community Development	2123	FF	(9,576,629)	(18,284,000)	(17,432,000)
Transfer to Environmental Quality	2340	FF	(1,298,409)	(1,431,876)	(1,459,319)
TOTAL TRANSFERS OUT		**FF**	**(10,875,038)**	**(19,715,876)**	**(18,891,319)**
TOTAL FEDERAL FUNDS		**FF**	**307,656,055**	**368,633,530**	**374,020,212**
TOTAL AVAILABLE REVENUES		**TF**	**526,711,308**	**643,794,122**	**733,601,163**

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Health Authority — **Agency Number: 44300**
2017-19 Biennium — **Cross Reference Number: 44300-030-05-00-00000**

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Other Funds						
Other Selective Taxes	285,423	-	-	-	-	-
Business Lic and Fees	9,253,017	-	12,780,000	12,780,000	-	-
Non-business Lic. and Fees	13,344,920	-	16,747,558	16,747,558	-	-
Charges for Services	23,100,551	-	24,518,523	24,518,523	-	-
Admin and Service Charges	261,232	-	-	-	-	-
Fines and Forfeitures	275,946	-	112,152	112,152	-	-
Interest Income	35,728	-	5,568	5,568	-	-
Sales Income	6,352,243	-	5,364,626	5,364,626	-	-
Donations	334,420	-	283,030	283,030	-	-
Grants (Non-Fed)	1,013,119	-	1,188,283	1,188,283	-	-
Other Revenues	52,839,794	-	96,327,849	105,490,812	-	-
Transfer In - Intrafund	30,291,376	-	-	-	-	-
Transfer In Other	-	-	354,831	354,831	-	-
Tsfr From Administrative Svcs	-	-	4,120,000	4,120,000	-	-
Tsfr From Revenue, Dept of	331,824	-	16,021,195	15,475,824	-	-
Tsfr From Energy, Dept of	69,932	-	49,924	51,771	-	-
Tsfr From HECC	12,350	-	-	-	-	-
Tsfr From Agriculture, Dept of	116,225	-	244,049	253,079	-	-
Tsfr From Transportation, Dept	445,080	-	-	-	-	-
Tsfr From Health Lic Agency	2,511,122	-	-	-	-	-
Tsfr From Health Rel Lic Bds	39,546	-	36,450	36,450	-	-
Tsfr From Board of Dentistry	171,320	-	176,000	186,800	-	-
Tsfr From Oregon Medical Board	751,680	-	755,680	830,506	-	-
Tsfr From Nursing, Bd of	121,005	-	135,430	163,395	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Health Authority | **Agency Number: 44300**
2017-19 Biennium | **Cross Reference Number: 44300-030-05-00-00000**

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Other Funds						
Tsfr From Board of Pharmacy	430,245	-	283,590	352,747	-	-
Tsfr From Housing and Com Svcs	204,832	-	-	-	-	-
Transfer Out - Intrafund	(14,330,759)	-	-	-	-	-
Tsfr To Health Rel Lic Bds	-	-	(987,107)	(987,107)	-	-
Total Other Funds	**$128,262,171**	**-**	**$178,517,631**	**$187,328,848**	**-**	**-**
Federal Funds						
Federal Funds	220,780,703	-	285,620,355	290,182,480	-	-
Tsfr From OR Business Development	55,219	-	-	-	-	-
Tsfr To OR Business Development	(9,576,629)	-	(18,284,000)	(17,432,000)	-	-
Tsfr To Environmental Quality	(1,298,409)	-	(1,431,876)	(1,459,319)	-	-
Total Federal Funds	**$209,960,884**	**-**	**$265,904,479**	**$271,291,161**	**-**	**-**
Nonlimited Other Funds						
Other Revenues	34,969,820	-	40,000,000	40,000,000	-	-
Total Nonlimited Other Funds	**$34,969,820**	**-**	**$40,000,000**	**$40,000,000**	**-**	**-**
Nonlimited Federal Funds						
Federal Funds	97,695,171	-	102,729,051	102,729,051	-	-
Total Nonlimited Federal Funds	**$97,695,171**	**-**	**$102,729,051**	**$102,729,051**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Public Health Programs
Cross Reference Number: 44300-030-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Beginning Balance							
Beginning Balance	-	-	-	-	-	-	-
Beginning Balance Adjustment	-	-	-	-	-	-	-
Total Beginning Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Revenues							
General Fund Appropriation	87,935	-	-	-	-	-	87,935
Other Revenues	-	-	1,010,557	-	-	-	1,010,557
Federal Funds	-	-	-	844,449	-	-	844,449
Total Revenues	**$87,935**	**-**	**$1,010,557**	**$844,449**	**-**	**-**	**$1,942,941**
Personal Services							
Temporary Appointments	1,469	-	11,196	493	-	-	13,158
Overtime Payments	638	-	2,620	1,350	-	-	4,608
Shift Differential	2	-	200	33	-	-	235
All Other Differential	8,736	-	6,797	11,047	-	-	26,580
Public Employees' Retire Cont	1,790	-	1,835	2,373	-	-	5,998
Pension Obligation Bond	(64,774)	-	334,265	135,702	-	-	405,193
Social Security Taxes	830	-	1,592	988	-	-	3,410
Unemployment Assessments	-	-	-	-	-	-	-
Mass Transit Tax	50,957	-	223,622	-	-	-	274,579
Vacancy Savings	88,287	-	428,430	692,463	-	-	1,209,180
Total Personal Services	**$87,935**	**-**	**$1,010,557**	**$844,449**	**-**	**-**	**$1,942,941**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: Public Health Programs**

Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor | **Cross Reference Number: 44300-030-05-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Capital Outlay							
Office Furniture and Fixtures	-	-	-	-	-	-	-
Total Capital Outlay	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Expenditures							
Total Expenditures	87,935	-	1,010,557	844,449	-	-	1,942,941
Total Expenditures	**$87,935**	**-**	**$1,010,557**	**$844,449**	**-**	**-**	**$1,942,941**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 021 - Phase - In

Cross Reference Name: Public Health Programs
Cross Reference Number: 44300-030-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	156,245	-	-	-	-	-	156,245
Other Revenues	-	-	496,867	-	-	-	496,867
Federal Funds	-	-	-	5,537,636	-	-	5,537,636
Tsfr From Or Liquor Cntrl Comm	-	-	-	-	-	-	-
Total Revenues	**$156,245**	**-**	**$496,867**	**$5,537,636**	**-**	**-**	**$6,190,748**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	-	474,439	-	-	474,439
Empl. Rel. Bd. Assessments	-	-	-	265	-	-	265
Public Employees' Retire Cont	-	-	-	62,106	-	-	62,106
Social Security Taxes	-	-	-	36,295	-	-	36,295
Worker's Comp. Assess. (WCD)	-	-	-	322	-	-	322
Flexible Benefits	-	-	-	155,568	-	-	155,568
Total Personal Services	**-**	**-**	**-**	**$728,995**	**-**	**-**	**$728,995**
Services & Supplies							
Instate Travel	235	-	4,428	-	-	-	4,663
Employee Training	984	-	5,761	-	-	-	6,745
Office Expenses	6,799	-	38,098	-	-	-	44,897
Telecommunications	2,874	-	16,805	-	-	-	19,679
Other Services and Supplies	617	-	47,520	-	-	-	48,137
Expendable Prop 250 - 5000	94	-	466	-	-	-	560
Total Services & Supplies	**$11,603**	**-**	**$113,078**	**-**	**-**	**-**	**$124,681**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 021 - Phase - In

Cross Reference Name: Public Health Programs
Cross Reference Number: 44300-030-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Special Payments							
Dist to Counties	108,306	-	287,377	3,600,710	-	-	3,996,393
Dist to Other Gov Unit	24,156	-	64,094	803,043	-	-	891,293
Other Special Payments	12,180	-	32,318	404,888	-	-	449,386
Total Special Payments	**$144,642**	**-**	**$383,789**	**$4,808,641**	**-**	**-**	**$5,337,072**
Total Expenditures							
Total Expenditures	156,245	-	496,867	5,537,636	-	-	6,190,748
Total Expenditures	**$156,245**	**-**	**$496,867**	**$5,537,636**	**-**	**-**	**$6,190,748**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							7
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**7**
Total FTE							
Total FTE							4.34
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**4.34**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: Public Health Programs**

Pkg: 022 - Phase-out Pgm & One-time Costs | **Cross Reference Number: 44300-030-05-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(300,000)	-	-	-	-	-	(300,000)
Other Revenues	-	-	(1,136,075)	-	-	-	(1,136,075)
Total Revenues	**($300,000)**	**-**	**($1,136,075)**	**-**	**-**	**-**	**($1,436,075)**
Services & Supplies							
Office Expenses	(41,230)	-	-	-	-	-	(41,230)
Professional Services	-	-	(1,102,969)	-	-	-	(1,102,969)
Expendable Prop 250 - 5000	-	-	-	-	-	-	-
Total Services & Supplies	**($41,230)**	**-**	**($1,102,969)**	**-**	**-**	**-**	**($1,144,199)**
Special Payments							
Dist to Individuals	(258,770)	-	-	-	-	-	(258,770)
Other Special Payments	-	-	(33,106)	-	-	-	(33,106)
Total Special Payments	**($258,770)**	**-**	**($33,106)**	**-**	**-**	**-**	**($291,876)**
Total Expenditures							
Total Expenditures	(300,000)	-	(1,136,075)	-	-	-	(1,436,075)
Total Expenditures	**($300,000)**	**-**	**($1,136,075)**	**-**	**-**	**-**	**($1,436,075)**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: Public Health Programs
Cross Reference Number: 44300-030-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	1,154,540	-	-	-	-	-	1,154,540
Other Revenues	-	-	906,700	-	-	-	906,700
Total Revenues	**$1,154,540**	**-**	**$906,700**	**-**	**-**	**-**	**$2,061,240**
Services & Supplies							
Instate Travel	17,611	-	6,449	-	-	-	24,060
Out of State Travel	1,121	-	824	-	-	-	1,945
Employee Training	2,450	-	2,035	-	-	-	4,485
Office Expenses	15,595	-	24,582	-	-	-	40,177
Telecommunications	5,506	-	5,113	-	-	-	10,619
Data Processing	-	-	22	-	-	-	22
Publicity and Publications	21,303	-	5,535	-	-	-	26,838
Professional Services	33,696	-	125,187	-	-	-	158,883
IT Professional Services	-	-	23,078	-	-	-	23,078
Attorney General	10,276	-	214,198	-	-	-	224,474
Dispute Resolution Services	-	-	-	-	-	-	-
Employee Recruitment and Develop	-	-	-	-	-	-	-
Dues and Subscriptions	508	-	343	-	-	-	851
Facilities Rental and Taxes	-	-	-	-	-	-	-
Fuels and Utilities	-	-	-	-	-	-	-
Facilities Maintenance	-	-	42	-	-	-	42
Food and Kitchen Supplies	-	-	-	-	-	-	-
Medical Services and Supplies	171,064	-	-	-	-	-	171,064
Other Care of Residents and Patients	-	-	-	-	-	-	-
Agency Program Related S and S	43,647	-	6,633	-	-	-	50,280

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: Public Health Programs
Cross Reference Number: 44300-030-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Intra-agency Charges	-	-	-	-	-	-	-
Other Services and Supplies	3,549	-	25,619	-	-	-	29,168
Expendable Prop 250 - 5000	1,679	-	3,830	-	-	-	5,509
IT Expendable Property	-	-	1,166	-	-	-	1,166
Total Services & Supplies	**$328,005**	**-**	**$444,656**	**-**	**-**	**-**	**$772,661**
Capital Outlay							
Office Furniture and Fixtures	-	-	-	-	-	-	-
Telecommunications Equipment	-	-	-	-	-	-	-
Technical Equipment	-	-	-	-	-	-	-
Data Processing Software	-	-	-	-	-	-	-
Other Capital Outlay	-	-	-	-	-	-	-
Total Capital Outlay	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Special Payments							
Dist to Counties	554,995	-	404,620	-	-	-	959,615
Dist to Other Gov Unit	75,180	-	-	-	-	-	75,180
Dist to Non-Gov Units	5,456	-	999	-	-	-	6,455
Dist to Individuals	133,024	-	56,425	-	-	-	189,449
Other Special Payments	57,880	-	-	-	-	-	57,880
Spc Pmt to Environmental Quality	-	-	-	-	-	-	-
Spc Pmt to Oregon Health Authority	-	-	-	-	-	-	-
Spc Pmt to Education, Dept of	-	-	-	-	-	-	-
Spc Pmt to Or Health & Science U	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: Public Health Programs
Cross Reference Number: 44300-030-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Special Payments							
Spc Pmt to Agriculture, Dept of	-	-	-	-	-	-	-
Total Special Payments	**$826,535**	**-**	**$462,044**	**-**	**-**	**-**	**$1,288,579**
Total Expenditures							
Total Expenditures	1,154,540	-	906,700	-	-	-	2,061,240
Total Expenditures	**$1,154,540**	**-**	**$906,700**	**-**	**-**	**-**	**$2,061,240**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Public Health Programs
Cross Reference Number: 44300-030-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	70,783	-	-	-	-	-	70,783
Other Revenues	-	-	19,425	-	-	-	19,425
Total Revenues	**$70,783**	**-**	**$19,425**	**-**	**-**	**-**	**$90,208**
Services & Supplies							
Professional Services	1,665	-	-	-	-	-	1,665
Medical Services and Supplies	18,493	-	-	-	-	-	18,493
Total Services & Supplies	**$20,158**	**-**	**-**	**-**	**-**	**-**	**$20,158**
Special Payments							
Dist to Counties	43,701	-	13,325	-	-	-	57,026
Dist to Other Gov Unit	295	-	-	-	-	-	295
Dist to Non-Gov Units	443	-	-	-	-	-	443
Dist to Individuals	6,186	-	6,100	-	-	-	12,286
Total Special Payments	**$50,625**	**-**	**$19,425**	**-**	**-**	**-**	**$70,050**
Total Expenditures							
Total Expenditures	70,783	-	19,425	-	-	-	90,208
Total Expenditures	**$70,783**	**-**	**$19,425**	**-**	**-**	**-**	**$90,208**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 060 - Technical Adjustments

Cross Reference Name: Public Health Programs
Cross Reference Number: 44300-030-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Other Revenues	-	-	(40,992)	-	-	-	(40,992)
Total Revenues	**-**	**-**	**($40,992)**	**-**	**-**	**-**	**($40,992)**
Personal Services							
Mass Transit Tax	-	-	(514)	-	-	-	(514)
Total Personal Services	**-**	**-**	**($514)**	**-**	**-**	**-**	**($514)**
Services & Supplies							
Office Expenses	-	-	(1,726)	-	-	-	(1,726)
Telecommunications	-	-	-	-	-	-	-
State Gov. Service Charges	-	-	-	-	-	-	-
Facilities Rental and Taxes	-	-	-	-	-	-	-
Other Services and Supplies	-	-	(2,754)	-	-	-	(2,754)
Expendable Prop 250 - 5000	-	-	-	-	-	-	-
Total Services & Supplies	**-**	**-**	**($4,480)**	**-**	**-**	**-**	**($4,480)**
Special Payments							
Other Special Payments	-	-	(35,998)	-	-	-	(35,998)
Total Special Payments	**-**	**-**	**($35,998)**	**-**	**-**	**-**	**($35,998)**
Total Expenditures							
Total Expenditures	-	-	(40,992)	-	-	-	(40,992)
Total Expenditures	**-**	**-**	**($40,992)**	**-**	**-**	**-**	**($40,992)**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 060 - Technical Adjustments

Cross Reference Name: Public Health Programs
Cross Reference Number: 44300-030-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 070 - Revenue Shortfalls

Cross Reference Name: Public Health Programs
Cross Reference Number: 44300-030-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Other Revenues	-	-	(2,184,864)	-	-	-	(2,184,864)
Total Revenues	**-**	**-**	**($2,184,864)**	**-**	**-**	**-**	**($2,184,864)**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	(670,392)	-	-	-	(670,392)
All Other Differential	-	-	5,480	-	-	-	5,480
Empl. Rel. Bd. Assessments	-	-	(285)	-	-	-	(285)
Public Employees' Retire Cont	-	-	(104,702)	-	-	-	(104,702)
Social Security Taxes	-	-	(50,866)	-	-	-	(50,866)
Worker's Comp. Assess. (WCD)	-	-	(345)	-	-	-	(345)
Flexible Benefits	-	-	(166,680)	-	-	-	(166,680)
Total Personal Services	**-**	**-**	**($987,790)**	**-**	**-**	**-**	**($987,790)**
Services & Supplies							
Instate Travel	-	-	(25,449)	-	-	-	(25,449)
Office Expenses	-	-	(2,828)	-	-	-	(2,828)
Professional Services	-	-	(313,986)	-	-	-	(313,986)
Medical Services and Supplies	-	-	(4,611)	-	-	-	(4,611)
Total Services & Supplies	**-**	**-**	**($346,874)**	**-**	**-**	**-**	**($346,874)**
Special Payments							
Dist to Individuals	-	-	(850,200)	-	-	-	(850,200)
Total Special Payments	**-**	**-**	**($850,200)**	**-**	**-**	**-**	**($850,200)**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 070 - Revenue Shortfalls

Cross Reference Name: Public Health Programs
Cross Reference Number: 44300-030-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	-	-	(2,184,864)	-	-	-	(2,184,864)
Total Expenditures	**-**	**-**	**($2,184,864)**	**-**	**-**	**-**	**($2,184,864)**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							(5)
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**(5)**
Total FTE							
Total FTE							(5.00)
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**(5.00)**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 401 - Cleaner Air Oregon Initiative

Cross Reference Name: Public Health Programs
Cross Reference Number: 44300-030-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	989,185	-	-	-	-	-	989,185
Other Revenues	-	-	(217,741)	-	-	-	(217,741)
Federal Funds	-	-	-	(520,739)	-	-	(520,739)
Total Revenues	**$989,185**	**-**	**($217,741)**	**($520,739)**	**-**	**-**	**$250,705**
Personal Services							
Class/Unclass Sal. and Per Diem	571,104	-	(125,437)	(285,035)	-	-	160,632
Empl. Rel. Bd. Assessments	228	-	(62)	(166)	-	-	-
Public Employees' Retire Cont	87,612	-	(16,420)	(37,311)	-	-	33,881
Social Security Taxes	43,689	-	(9,596)	(21,804)	-	-	12,289
Worker's Comp. Assess. (WCD)	276	-	(75)	(201)	-	-	-
Flexible Benefits	133,344	-	(36,093)	(97,251)	-	-	-
Total Personal Services	**$836,253**	**-**	**($187,683)**	**($441,768)**	**-**	**-**	**$206,802**
Services & Supplies							
Other Services and Supplies	152,932	-	(30,058)	(78,971)	-	-	43,903
Total Services & Supplies	**$152,932**	**-**	**($30,058)**	**($78,971)**	**-**	**-**	**$43,903**
Total Expenditures							
Total Expenditures	989,185	-	(217,741)	(520,739)	-	-	250,705
Total Expenditures	**$989,185**	**-**	**($217,741)**	**($520,739)**	**-**	**-**	**$250,705**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: Public Health Programs**
Pkg: 401 - Cleaner Air Oregon Initiative | **Cross Reference Number: 44300-030-05-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							-
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total FTE							
Total FTE							-
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 409 - OHA Fee Changes

Cross Reference Name: Public Health Programs
Cross Reference Number: 44300-030-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Other Revenues	-	-	1,334,664	-	-	-	1,334,664
Total Revenues	**-**	**-**	**$1,334,664**	**-**	**-**	**-**	**$1,334,664**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	670,392	-	-	-	670,392
Empl. Rel. Bd. Assessments	-	-	285	-	-	-	285
Public Employees' Retire Cont	-	-	105,748	-	-	-	105,748
Social Security Taxes	-	-	51,285	-	-	-	51,285
Worker's Comp. Assess. (WCD)	-	-	345	-	-	-	345
Flexible Benefits	-	-	166,680	-	-	-	166,680
Total Personal Services	**-**	**-**	**$994,735**	**-**	**-**	**-**	**$994,735**
Services & Supplies							
Instate Travel	-	-	18,504	-	-	-	18,504
Office Expenses	-	-	2,828	-	-	-	2,828
Professional Services	-	-	313,986	-	-	-	313,986
Medical Services and Supplies	-	-	4,611	-	-	-	4,611
Total Services & Supplies	**-**	**-**	**$339,929**	**-**	**-**	**-**	**$339,929**
Total Expenditures							
Total Expenditures	-	-	1,334,664	-	-	-	1,334,664
Total Expenditures	**-**	**-**	**$1,334,664**	**-**	**-**	**-**	**$1,334,664**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 409 - OHA Fee Changes

Cross Reference Name: Public Health Programs
Cross Reference Number: 44300-030-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							5
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**5**
Total FTE							
Total FTE							5.00
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**5.00**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 411 - Public Health Modernization

Cross Reference Name: Public Health Programs
Cross Reference Number: 44300-030-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	30,000,000	-	-	-	-	-	30,000,000
Other Revenues	-	-	(485,369)	-	-	-	(485,369)
Federal Funds	-	-	-	(812,532)	-	-	(812,532)
Total Revenues	**$30,000,000**	**-**	**($485,369)**	**($812,532)**	**-**	**-**	**$28,702,099**
Personal Services							
Class/Unclass Sal. and Per Diem	786,000	-	(263,038)	(455,834)	-	-	67,128
Empl. Rel. Bd. Assessments	342	-	(140)	(202)	-	-	-
Public Employees' Retire Cont	120,329	-	(34,431)	(59,669)	-	-	26,229
Social Security Taxes	60,129	-	(20,122)	(34,872)	-	-	5,135
Worker's Comp. Assess. (WCD)	414	-	(169)	(245)	-	-	-
Flexible Benefits	200,016	-	(81,770)	(118,246)	-	-	-
Total Personal Services	**$1,167,230**	**-**	**($399,670)**	**($669,068)**	**-**	**-**	**$98,492**
Services & Supplies							
Employee Training	400,000	-	-	-	-	-	400,000
Professional Services	3,700,000	-	-	-	-	-	3,700,000
IT Professional Services	1,616,000	-	-	-	-	-	1,616,000
Other Services and Supplies	284,613	-	(85,699)	(143,464)	-	-	55,450
Total Services & Supplies	**$6,000,613**	**-**	**($85,699)**	**($143,464)**	**-**	**-**	**$5,771,450**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 411 - Public Health Modernization

Cross Reference Name: Public Health Programs
Cross Reference Number: 44300-030-05-00-00000

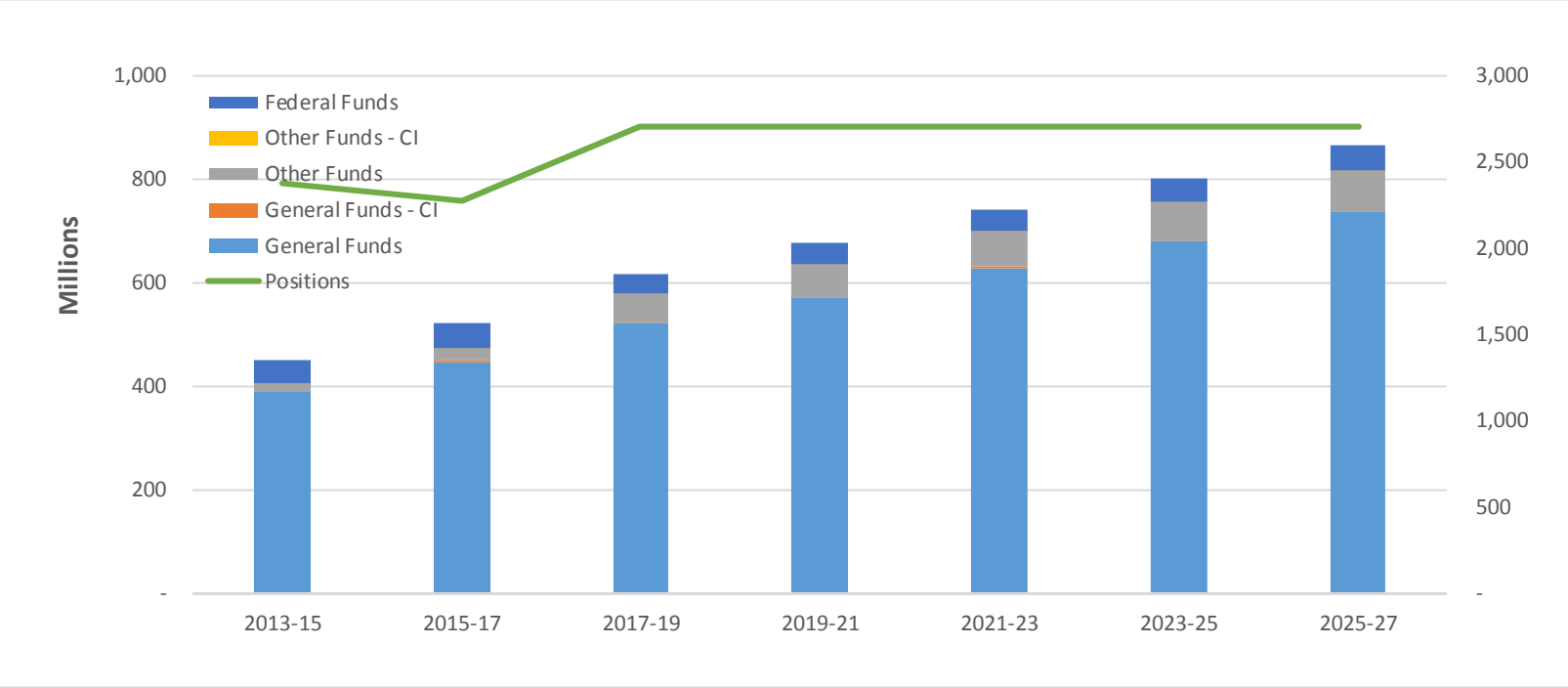
Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Special Payments							
Dist to Counties	22,832,157	-	-	-	-	-	22,832,157
Total Special Payments	**$22,832,157**	**-**	**-**	**-**	**-**	**-**	**$22,832,157**
Total Expenditures							
Total Expenditures	30,000,000	-	(485,369)	(812,532)	-	-	28,702,099
Total Expenditures	**$30,000,000**	**-**	**($485,369)**	**($812,532)**	**-**	**-**	**$28,702,099**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							-
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total FTE							
Total FTE							-
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**-**

OREGON HEALTH AUTHORITY: OREGON STATE HOSPITAL

Program Unit Executive Summary

Long Term Focus Areas: Safer, Healthier Communities; Excellence in State Government

Primary contact: John Swanson, COO/CFO
503 945-2968



** Inflation factors used for 2019-21, 2021-23, 2023-25 and 2025-27 in the graph above were provided by DAS-CFO.*

Program overview

Oregon State Hospital (OSH) is an essential part of the statewide behavioral health system, providing the highest level of psychiatric care for adults from all 36 counties. The hospital's primary goal is to help people recover from their mental illness and return to life in the community. Services in a secure setting promote public safety by treating people who are dangerous to themselves or others. The hospital works in partnership with the Oregon Health Authority, Health Systems Division (HSD), the Psychiatric Security Review Board (PSRB), regional hospitals, community mental health programs, advocacy groups and other community partners to deliver the right care, at the right time, in the right place.

OSH operates two campuses with the capacity to serve up to 794 Oregonians, with 620 beds in Salem and 174 beds in Junction City. Services are provided 24 hours per day, seven days a week. OSH currently operates 594 beds on the Salem campus and 100 beds in Junction City. Commitment types include:

- **Civil commitment/voluntary by guardian** – People who are dangerous to themselves or others, or who are unable to provide for their basic needs due to their mental illness. A subset of this population includes those who have significant co-occurring medical issues, such as those with dementia, Alzheimer's or traumatic brain injury.
- **Guilty except for insanity** – People who committed a crime related to their mental illness. Depending on the nature of their crime, patients are under the jurisdiction of the PSRB or the State Hospital Review Panel (SHRP).
- **Aid and Assist** – People who have been charged with a crime but are unable to participate in in their trial due to their mental illness. The courts refer them to OSH under Oregon Revised Statute (ORS) 161.370 for "competency restoration" which is treatment that will help them understand the criminal charges against them and assist in their own defense.

Oregon State Hospital's role is to provide services and treatment to individuals that will prepare them to return to the community as soon as they are ready. Services include 24-hour on-site nursing, psychiatric and other credentialed professional staff, treatment planning, pharmacy, laboratory, food and nutritional services, vocational and educational services. The hospital is accredited by the Joint Commission on the Accreditation of Health Organizations and 5 units are currently certified by the Centers for Medicare & Medicaid Services (CMS). Services are provided by psychiatrists, nurses, and mental health professionals. Upon release, people transition to the community with better skills to understand and manage their symptoms, fully participate and live in their local community in a variety of community-based settings, and when able, hold down a job.

Management of the overall behavioral health system has a huge impact on the success of OSH. In order to ensure that only people who need hospital-level care are admitted, a robust array of preventive, treatment and crisis services must be available in the community. In addition, to ensure that people can be released from the hospital when they are ready, the community behavioral health system must have sufficient capacity to provide services and supports in a variety of integrated and independent settings to meet each individuals' needs. Any restrictions within the community-hospital continuum can result in a back-up of the behavioral health system which can reach as far as community hospital emergency departments.

Oregon's only state-operated secure residential treatment facility also reports to the superintendent of OSH. The 16-bed facility, called Pendleton Cottage, is located on the grounds of the former Eastern Oregon Training Center in Pendleton. The secure mental health treatment program provides a community treatment setting for people who need a secure level of care as their first step out of the state hospital.

Program funding request

For the 2017-2019 biennium, OHA requests the following budget for OSH:

	General	General Cap Impr	Other	Other Cap Impr	Federal	Total Fund	Pos.	FTE
Leg. Approved 15-17	447,522,215	699,615	23,381,729	699,615	49,800,786	522,103,960	2,268	2,261.90
Agency Request	519,987,638	725,501	55,674,851	725,501	35,847,166	612,960,657	2,521	2,516.32
Difference	72,465,423	25,886	32293122	25,886	(13,953,620)	90,856,697	253.	254.40
Percent Change	16%	4%	138%	4%	(28%)	17%	11%	11%

** Federal Fund decrease is primarily a result of the loss of Designated State Health Program (DSHP) funding.*

OHA estimates the following cost for OSH programs through the 2025-2027 Biennium:

BIENNIUM	2017-19	2019-21	2021-23	2023-25	2025-27
General Fund	519,987,638	571,563,636	628,737,588	679,762,220	735,040,939
General Fund - CI	725,501	753,070	783,946	816,872	851,181
Other Funds	58,389,803	63,046,484	68,214,785	73,027,564	78,203,846
Other Funds - CI	725,501	753,070	783,946	816,872	851,181
Federal Funds	35,847,166	39,261,976	43,048,077	46,455,708	50,142,579
Total Funds	615,675,609	675,378,236	741,568,342	800,879,236	865,089,726

Program description

Vision – We are a psychiatric hospital that inspires hope, promotes safety and supports recovery for all.

Mission – Our mission is to provide therapeutic, evidence-based, patient-centered treatment focusing on recovery and community reintegration all in a safe environment.

How we deliver services

Interdisciplinary treatment teams

Each patient is assigned an interdisciplinary treatment (IDT) team. Treatment teams consist of one of each of the following disciplines:

- Nursing
- Psychiatry
- Psychology
- Rehabilitation/occupational specialist
- Social work
- Treatment care plan specialists

Patients also are considered members of their own treatment team, as well as designated family members when appropriate. Treatment teams also may include someone from Peer Recovery Services, which comprises staff with lived experience within the behavioral health system, and someone from the patient's community mental health program, which helps provide a continuity of care as patients are admitted and released from the hospital.

Clinical treatment

Treatment teams collaborate with patients to develop individualized treatment care plans to identify and achieve short- and long-term goals. These goals address potential safety risks, mitigate illness and promote recovery. Treatment care plans indicate which treatments a patient needs, such as individual therapy, treatment therapy groups, medications, activities of daily living (cooking, personal finance), community integration and vocational rehabilitation or paid work.

Treatment teams also work with each patient to ensure their individual needs are met. This includes any accommodations for specific cultures, languages, religions, LGBTQ+ status, or disabilities. If the need cannot immediately be met within the hospital's existing resources, the team will find a contractor, such as an interpreter or faith practitioner, to deliver these services for the patient.

Treatment malls

In the same way that a shopping mall offers a variety of retailers in one location, treatment malls offer a variety of group therapy options in one location. Treatment teams determine which groups will help patients meet their treatment goals, needs and interests. Mimicking the work or school-day routines patients will face outside the hospital, patients are offered at least four hours of active treatment on the mall every weekday. The malls also offer less-structured social activities in the evenings and on weekends. Treatment mall groups are designed to help patients learn to manage illness and build the skills they will need to be successful after they are released.

Some examples of treatment mall groups are supported education, art therapy, music therapy, mindfulness (yoga, meditation), peer-delivered services, legal skills, and dual diagnosis (for people who also have a substance use disorder). Many groups focus on community reintegration, such as cooking skills or community volunteering.

Who provides the services

Of the 2,226 positions currently budgeted for both campuses, 71 percent are direct-care staff such as nurses, psychiatrists, psychologists, etc. Salaries, taxes and benefits for staff comprise 81 percent of OSH's 2015-2017 Legislatively Approved Budget. The number of staff the hospital needs is based on the level of acuity (the severity of symptoms, how much care patients need), commitment type (civil, guilty except for insanity, aid and assist) and agreements between hospital and union leadership. Per ORS 441.154 and ORS 441.155, the staffing plan for OSH is set by the nurse staffing committee, composed of both nurse management and AFSCME-RN union members. Sufficient staffing is also key to OSH's ability to remain compliant with the United States Department of Justice's (USDOJ's) guidelines for the Civil Rights of Institutionalized Persons Act, specifically those areas related to adequate nursing care, adequate protection from harm, ability to provide adequate mental health care, and appropriate use of seclusion and restraint.

Program justification and link to long term outcomes

OSH's key goals are:

- Excelling in recovery-oriented care and treatment
- Ensuring safety in care environments
- Improving processes and performance
- Recruiting and engaging outstanding staff
- Employing information technology effectively

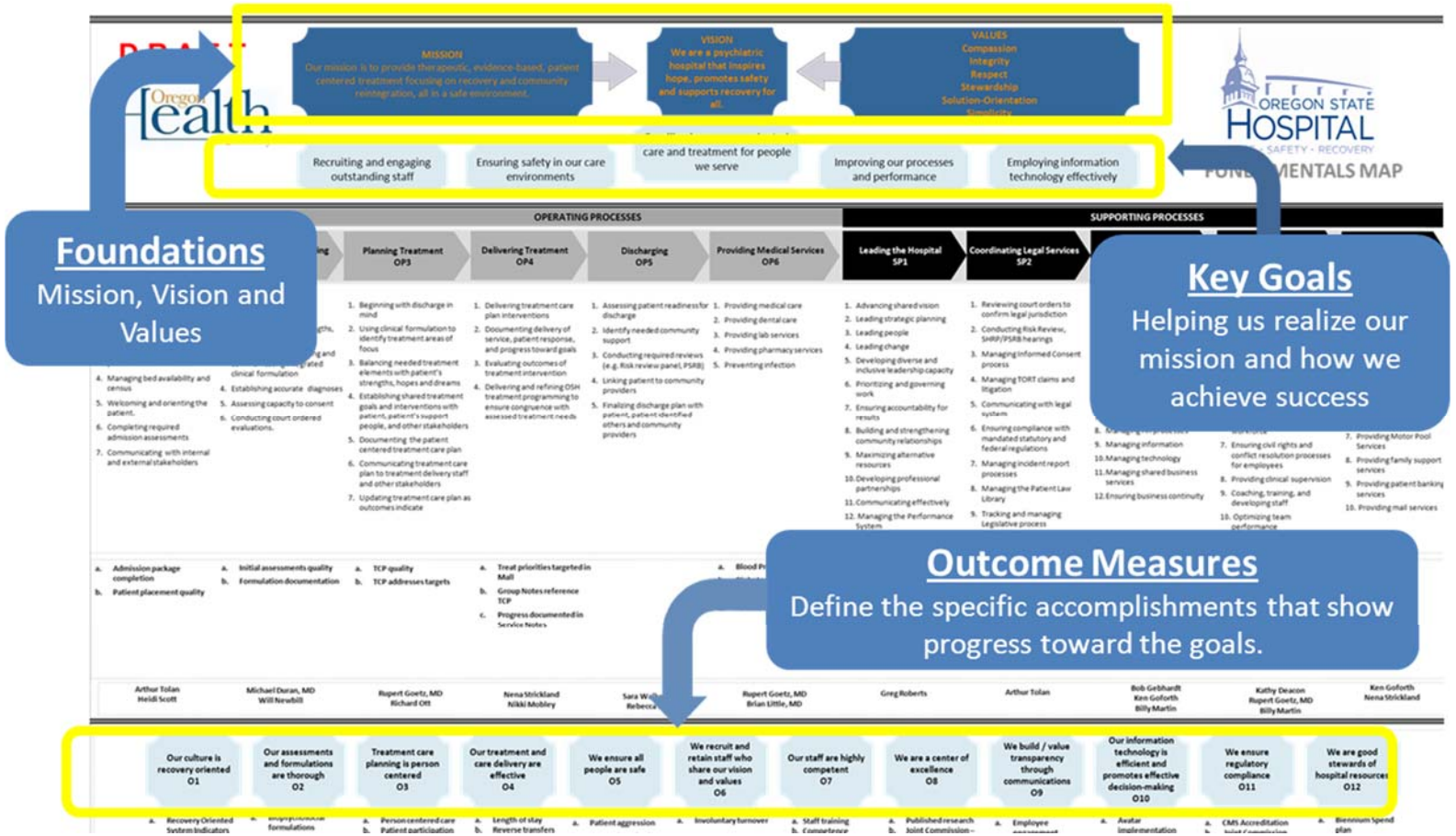
Program performance

OSH uses Lean methodology as our primary foundation for continuous improvement and organizational performance. Through Lean, OSH has a robust system to align and link all of the services it provides with organizational goals and desired outcomes. OSH also tracks performance metrics throughout each level of the hospital using the **Lean Daily Management System (LDMS)** and the **OSH Performance System**. This framework provides a clear line of sight to ensure the work is achieving the desired outcomes.

Lean Daily Management System
LDMS is implemented in more than 90 sites throughout the hospital to provide structure for teams to make continuous improvement a part of their everyday work. Work teams track metrics on LDMS boards that are then linked to the OSH Performance System and key organizational goals. LDMS gives each work group a common system for communication, taking action and evaluating results.

Performance System
The OSH Performance System focuses on the hospital's fundamental work processes and desired outcomes, while forcing discipline around measurement and metrics. The Performance System helps the hospital generate targeted breakthrough initiatives and use problem solving techniques to address areas where performance is poor.

The Performance System works by addressing the two major components of running the hospital. The first component is the fundamentals (all of the routine work and core processes that drive key goals). Because the fundamentals represent 90-95 percent of all resource use and have the greatest opportunity for improving patient outcomes and reducing costs, OSH started with creation of the Fundamentals Map.



The second component is the breakthroughs, new competencies and major function improvements in existing work processes (all of the strategic initiatives).

The scorecard monitors the hospital's outcome and process measures from the Fundamentals Map, which show progress toward key goals. In essence, the scorecard is a way for hospital leadership to manage data, monitor progress and identify

achievements. Having this data available enables the hospital to proactively assign resources to continuous improvement teams early enough to make vital improvements that affect patient outcomes, improve safety and reduce costs.

Some examples of metrics tracked on the Scorecard are:

- Incidents of aggression
- Patient and staff injuries
- Incidents and duration of seclusion and restraint
- Length of stay
- Wait list times
- Time between placement on the Ready-to-Transition List and discharge
- Staff turnover

OSH holds quarterly performance reviews (QPRs) every three months to check the pulse of our organizational health using the Scorecard. QPRs create the discipline to review status of the routine work (fundamentals) and initiatives (breakthroughs), and to drive problem solving as needed to achieve the goals of the organization.

Participants at QPRs include executive leadership, mid-level management, measure owners, front-line staff and union representatives. Measure owners' present data related to their assigned measure at the QPR. If performance measures are below the desired target (in the red zone of the measure target) the measure owner is required to develop a detailed Measure Action Plan to improve measure performance.

Enabling legislation/program authorization

ORS 161.295-400 – Determination of fitness to proceed/commitment
ORS 179.321 – Authority to operate, control, manage and supervise OSH campuses and state-delivered residential treatment facilities
ORS 426 – Powers, duties, responsibilities of OHA
ORS 443 – Residential treatment homes and facilities

Funding streams

All OSH programs receive a combination of funds.

State General Fund

Other Funds:

- Medicare
- Third-party insurance
- Private payments
- Local revenue (e.g., wood products, café, coffee shop, safety grant)
- Capital improvement

Federal Funds:

- Medicaid matching funds
- Disproportionate Share Hospital (DSH)

Significant proposed program changes from 2015-2017

Expanding collaborative problem solving hospital-wide

Improving safety is a key component of CMS certification, and collaborative problem solving (CPS) has proven to increase safety for both patients and staff. In 2014, OSH selected CPS as its foundational treatment approach and an alternative to historic approaches of coercion and control. The CPS model provides cutting-edge mental health treatment to the patients, and it has been proven to reduce violence, injuries to both staff and patients, and episodes of patient seclusion and restraint. The CPS model focuses on including the patient as an equal partner in their recovery journey. Patients and CPS treatment providers work together to develop and strengthen the skills required to transition back into the community and avoid re-admission.

OSH has been using the CPS model on the four units with the highest acuity for more than a year, and the results are very promising. During the first year of using the CPS model, patient restraints dropped by 41 percent, patient seclusions dropped by 34 percent, staff injuries dropped by 12 percent and patient injuries dropped by 24 percent.

OREGON HEALTH AUTHORITY: OREGON STATE HOSPITAL

Program Unit Narrative: Salem Campus

Expenditures by fund type, positions and full-time equivalents

	General	Other/Lottery	Federal	Total Fund	Pos.	FTE
Leg. Approved 15-17	$ 370.2	$ 17.4	$ 45.2	$ 432.7	1804	1804.0
Agency Request 17-19	$ 410.3	$ 47.3	$ 31.1	$ 488.7	1975	1973.32
Difference	$ 40	$ 30	$ (14)	$ 56	171.0	169.32
Percent Change	11%	172%	-31%	13%	9%	9%

Activities, program and issues in the program unit base budget that may require further explanation than allowed in the Program Unit Executive Summary

Salem Campus Detail

- Capacity – 30 units (includes 6 cottages), 620 beds
- Operating – 26 units (2 cottages), 594 beds
- Populations served – civil commitment, neuropsychiatric (high medical need), guilty except for insanity (GEI), aid and assist
- Census – 513 (as of June 27, 2016)
- Square feet – 1.3 million
- Position authority – 1,804

Salem Campus has five programs to meet the specific needs of its different populations.

Treatment programs

Civil programs – Crossroads and Springs
People who are admitted to OHS through a civil commitment require physically secure 24-hour care that is not available through community programs. They have been found by the court to be a danger to themselves or others, or unable to provide for their own basic needs such as health and safety, because of a mental disorder.

- Crossroads (hospital-licensed) – The Crossroads program provides services for adults who have been civilly committed or voluntarily committed by a guardian. Patients each have an individual treatment care plan and attend the treatment mall every weekday. The primary focus of treatment mall programs is to prepare patients to return to the community. Groups help patients learn how to manage their symptoms and medications, develop coping and recreational skills, budget and manage their money, and plan and prepare meals. Community reintegration is the focus of weekly group trips to community settings. Separate programs provide educational support, psychotherapy and help for alcohol and drug abuse.
- Springs (hospital-licensed) – The Springs program is for patients who require a hospital level of care for dementia, organic brain injury or mental illness. These patients often have significant medical issues. The program's goal is for everyone to return to a community care setting. From the day of admission, the treatment team works with the patient toward this goal. Springs uses treatments that include sensory and behavioral therapy such as daily living skills and recreation; coping and problem-solving skills learned through group and individual therapy; and classes or activities in the treatment mall.

Forensic programs – Archways, Pathways and Bridges
People who come to OSH under a forensic commitment are individuals who have been charged with or committed a crime related to their mental illness. Some are referred by the courts under Oregon Revised Statute 161.370 for treatment that will help them to understand the criminal charges against them and to assist in their own defense. Others are admitted after they have been found guilty of a crime except for insanity. Depending on the nature of their crime, these patients are under the jurisdiction of either the PSRB or the Oregon State Hospital Review Panel.

- Archways (hospital-licensed) – Patients in the Archways program have been charged with but not convicted of a crime. They have been sent to OSH by a court order under Oregon Revised Statute 161.370 because they have been found unable to participate in their defense due to their mental illness. The goal of Archways is to stabilize patients and help them achieve a level of legal competency so they are able to understand the criminal charges against them and work with their attorney.

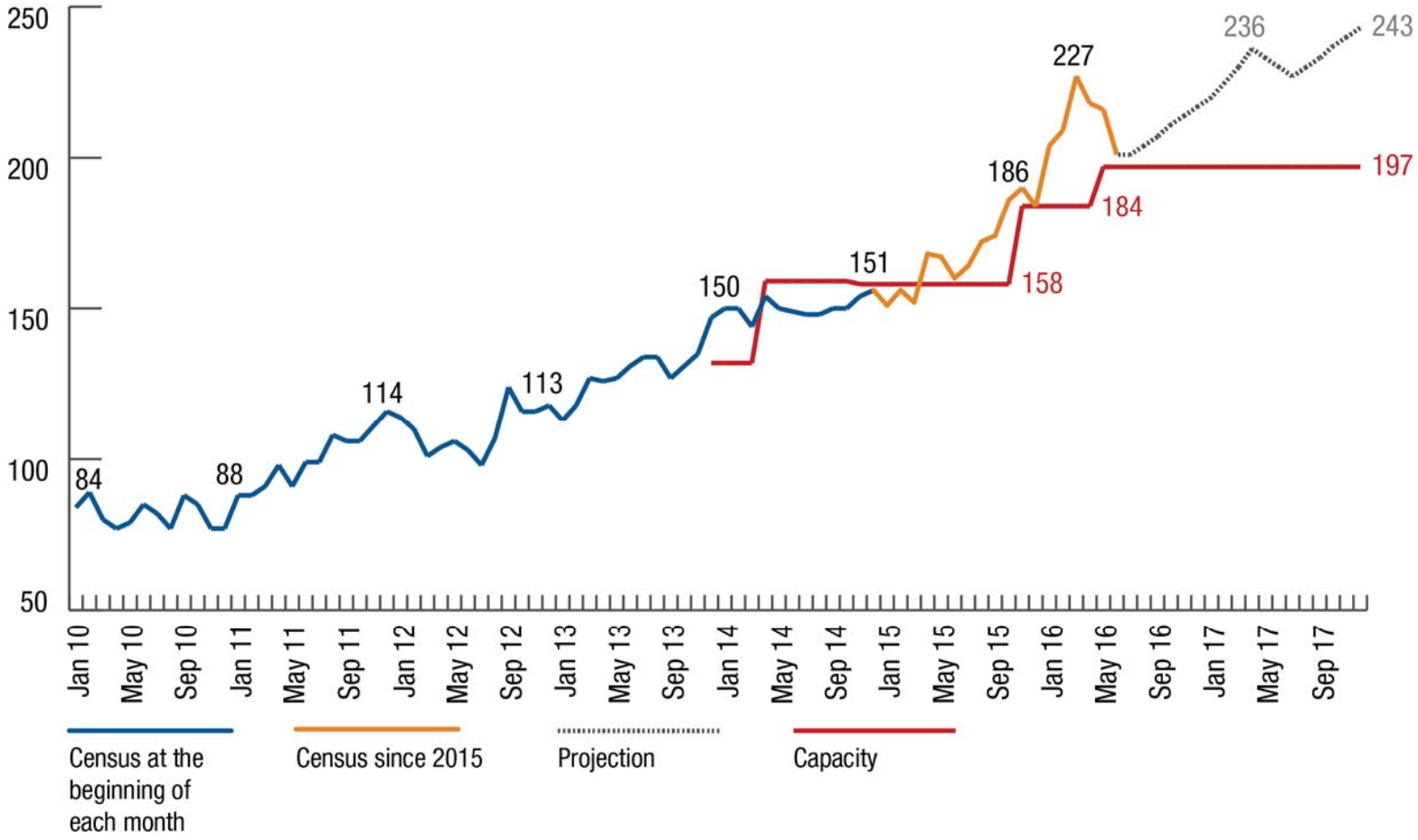
- Pathways (hospital-licensed) – Patients in the Pathways program have been convicted of a crime related to their mental illness; however, due to their mental illness at the time of the crime, a court has found that the person did not have the capacity to understand the criminality of their conduct.
- Bridges (mixed licensure) – Bridges is the community transition program for patients who have successfully pleaded GEI and are nearing the point where they no longer need hospital-level care. In addition to three traditional living units (licensed at the secure residential treatment facility level), Bridges includes two cottages (licensed at the residential treatment facility level) on the hospital campus that provide a treatment setting much like a group home, where patients cook their own meals and share other household responsibilities. Bridges' goal is to help patients achieve their highest level of health, safety and independence as they prepare for discharge or conditional release to a less restrictive community setting. Individuals work on living skills through daily treatment mall activities and classes as well as approved outings. They also participate in discharge planning with their treatment team members.

Any additional important background for decision makers that is not mentioned above. Include trends in caseload, workload or other external factors that may influence the operation of the program

Increasing aid and assist population

The number of people sent to OSH to be restored to competency so they can aid and assist in their own defense has grown significantly over the past several years. If this trend continues, OSH will not have sufficient capacity to serve this population without cutting back on services to other populations.

In 2015, the Salem campus converted one unit from serving people who have been civilly committed to serving people under Aid and Assist orders. Then, in April 2016, the Salem campus closed two cottages and used the staff to open its last vacant unit to meet Aid and Assist population demands. Even with these additional beds, the Aid and Assist population continues to rise above capacity, and these individuals are housed on units not designed to serve them.



Key to addressing this issue is developing a robust array of community services, including crisis interventions such as mobile crisis teams and assertive community treatment, that enable law enforcement and other community partners to connect people with mental health services rather than arrest them. The OHA Health Systems Division (HSD) and OSH are working with community partners to strengthen and expand these services.

Staffing

Adequate staffing is fundamental for safety at OSH. Per Oregon Revised Statute 441.154 and 441.155, the staffing plan for OSH is set by the nurse staffing committee, composed of both nurse management and AFSCME-RN union members. On average, 14 percent of the OSH direct care staff (registered nurses, licensed practical nurses, and mental health technicians) are absent each day – this does not include planned absences such as vacation or personal business. In order to meet minimum staffing requirements, direct care staff are asked to work overtime or are mandated to work overtime. But even with overtime shifts, staffing needs are not always met.

OSH nursing staffing requirements are affected by:

- Acuity – Higher staff-to-patient ratios are needed to maintain a safe treatment environment for patients and staff when there is a high acuity related to the patient population
- Precautions – Additional staff are needed to carry out physician-ordered patient "precautions," in which one or two staff are assigned to watch an individual patient who the physician has assessed as a risk for harming themselves or others

In 2015, the firm of AKT conducted an independent review of OSH nurse staffing practices. The report concluded that "*the methodology of the calculation appears to be sound. In speaking with our outside counsel, OSH's delivery model is well known and viewed favorably by others in the industry.*" The nurse staffing plan established by the OSH Staffing Committee will be the standard that the Centers for Medicare & Medicaid Services (CMS) will expect OSH to maintain as part of certification requirements.

Historically and currently, OSH has relied on overtime as the primary means to meet staffing needs when direct care staff are absent. Over the last three biennia, OSH has averaged 26,969 hours and $808,767 in monthly overtime to fill planned and unplanned direct-care staff vacancies. However, a recent Secretary of State audit of OSH overtime practices pointed out that *"Excessive overtime creates safety risks because it can lead to fatigue, affecting nursing staffs' ability to deliver good patient care, making good clinical decisions, and communicating effectively. Fatigued nursing staff could make errors, take unnecessary risks, be forgetful, and be in a poor mood."*

In 2016, The Joint Commission visited OSH to follow up on concerns of inadequate staffing levels. The surveyor investigated the following standard: *EP 3 §482.62(d)(2) - (B150) - (2) There must be adequate numbers of registered nurses, licensed practical nurses, and mental health workers to provide the nursing care necessary under each patient's active treatment program*. Because the surveyor observed the high level of unplanned direct-staff absences at OSH, her finding was: *"This Standard is NOT MET as evidenced by: Observed in Record Review at Oregon State Hospital (2600 Center Street, NE, Salem, OR) site for the Psychiatric Hospital deemed service. In 35 of 112 shifts reviewed, staffing was noted not to meet the organization's expected staffing matrix."*

In addition, sufficient staffing also is key to OSH's ability to remain compliant with the United States Department of Justice's (USDOJ's) guidelines for the Civil Rights of Institutionalized Persons Act, specifically those areas related to adequate nursing care, adequate protection from harm, ability to provide adequate mental health care, and appropriate use of seclusion and restraint.

The hospital has a policy option package that would expand the float pool as necessary to up to 200 limited-duration staff, so the hospital can better ensure staffing levels are met and avoid excessive overtime and mandatory overtime. With adequate position authority to establish a robust limited-duration nursing float pool, OSH will be able to maintain safe staffing levels, cover unplanned absences without overreliance on overtime, and maintain compliance with regulations necessary for CMS certification.

USDOJ/Olmstead

Per the plan that was still awaiting agreement by the State of Oregon and the USDOJ at this writing, the hospital must meet the following targets:

1. Discharge from OSH for patients who have been civilly committed will occur as soon as an individual is ready to return to the community. The target changes over the plan's first three year.
   a. Year 1 target – **75 percent** within **30** days of placement on the Ready to Transition List
   b. Year 2 target – **85 percent** within **25** days of placement on the Ready to Transition List
   c. Year 3 target – **90 percent** within **20** days of placement on the Ready to Transition List
2. At the end of Year 1, OSH will discharge 90 percent of all patients who have been civilly committed within 120 days of admission.

Revenue sources and proposed revenue changes. For Lottery Funds, Other Funds, and Federal Funds revenues

State General Fund.

Other Funds:

- Medicare
- Third party insurance
- Private payments
- Local revenue (e.g., wood products, café, coffee shop, safety grant)

Federal Funds:

- Medicaid Matching Funds
- Disproportionate Share Hospital (DSH)

Proposed new laws that apply to the program unit

OSH has experienced a dramatic increase in the number of Aid and Assist (.370) patients. Because of this, OSH is struggling to find beds for patients under .370 orders. OSH must meet the requirements of the federal order in Oregon Advocacy Center v. Mink, which requires OSH to admit defendants under .370 orders within seven days of the court finding them unable to aid and assist in their defense. The average daily population of patients under .370 orders at OSH has doubled over the past four years, from 109.7 in January 2012 to 219.5 in February 2016.

OSH has submitted five legislative concepts each aimed at easing the .370 crisis:

- Divert from OSH those .370 defendants with 90 days or less on their sentences;
- OSH forensic evaluations as arm of court;
- OSH full competency evaluation not needed to conduct GEI evaluation;
- Give .370 patients credit for time in jail; and
- OSH preliminary and subsequent forensic evaluations may be shorter.

Divert from OSH those .370 defendants with 90 days or less on their sentences

Many defendants sent to OSH have 90 days or less left in their sentence before their commitments expire. Because of the statutory and constitutional limits of how long a person may be confined, such defendants/patients must be discharged from OSH relatively soon after they are admitted. In such cases, being admitted to OSH makes little sense, because OSH has very little time to stabilize the person before the person's charges will be dropped soon after they are discharged. Thus, sending defendants with less than 90 days left on their charges to OSH is not a prudent plan for the individuals or for the state. OSH has proposed that Oregon Revised Statute (ORS) 161.370 be amended so that defendants with 90 days or less left on their charges cannot be committed to OSH.

OSH forensic evaluations as arm of court (rather than competing evaluations)

Courts often receive competing evaluations from defense attorneys and prosecutors about whether a defendant is able to aid and assist. Similar to how civil commitment courts use court visitors to determine who needs to be civilly committed, OSH has proposed that a statutory change be made so evaluations will be done locally as an arm of the court by an objective evaluator.

OSH full competency evaluation not needed to conduct Guilty Except for Insanity (GEI) evaluation

As OSH .370 admissions have risen, the number of court-ordered evaluations being conducted by OSH's Forensic Evaluation Service has risen exponentially. OSH's Forensic Evaluation Services has struggled to keep up with the demand. In the meantime, many attorneys and evaluators erroneously believe that a full competency evaluation is needed in order to conduct a GEI evaluation. This means that resources often are wasted on unneeded full competency evaluations. OSH proposes that the statute be amended to clarify that a full competency evaluation is not needed to conduct a GEI evaluation.

OSH give .370 patients credit for time in jail

The Attorney General's office has advised OSH that .370 patients cannot get credit for time they spend in jail unless the court explicitly orders that they get credit. In other words, the statute gives credit only for time spent at the hospital. (In the order templates on OSH's website, which many counties use, OSH added the option for judges to order that defendants get credit for jail time, but not all judges choose to do so.) When the court does not explicitly give patients credit for time served in jail, their time at OSH is lengthened. (Note that "GEI" patients, meaning patients found guilty of a crime except for insanity, do get credit for time they spent in jail.) OSH proposes amending ORS 161.370 so that .370 patients will automatically get credit for time spent in jail.

OSH preliminary and subsequent forensic evaluations may be shorter

Currently, evaluators must draft comprehensive evaluations every time they evaluate a defendant/patient. This is true regardless of whether the evaluation is a preliminary .365 evaluation or a subsequent .370 evaluation. This takes up a great deal of resources – and a lot of time – even though the defendant/patient may need only an updated evaluation.

Allowing shorter evaluations would allow them to be completed sooner, and this would lead to patients getting out of OSH sooner. OSH proposes amending ORS 161.370 so that the first .370 evaluation must be thorough, but subsequent .370 evaluations may simply be updates. Similarly, OSH proposes amending ORS 161.365 so that .365 evaluations – which are supposed to serve as preliminary evaluations – may be shorter.

OREGON HEALTH AUTHORITY: OREGON STATE HOSPITAL

Program Unit Narrative: State Delivered Secure Residential Facility

Expenditures by fund type, positions and full-time equivalents

	General	Other/Lottery	Federal	Total Fund	Pos.	FTE
Leg. Approved 15-17	$ 6.2	$ 0.4	$ 1.9	$ 8.5	42	42.00
Agency Request 17-19	$ 6.6	$ 0.4	$ 2.0	$ 9.0	42	42.00
Difference	$ 0.4	$ 0.0	$ 0.1	$ 0.5	0	0
Percent Change	6%	1%	6%	6%	0%	0%

Activities, program and issues in the program unit base budget that may require further explanation than allowed in the Program Unit Executive Summary

Pendleton Cottage is a state-operated secure residential treatment facility in Pendleton, Oregon. With the capacity to serve up to 16 people, Pendleton Cottage provides 24-hour mental health residential treatment services for adults in a more home-like setting. The mission of Pendleton Cottage is to help people recover from their mental illness by focusing on positive life experiences, self-confidence and community integration. Pendleton Cottage is often the first step for people who are transitioning from the state hospital to a life in the community.

People served

Pendleton Cottage serves people who have been civilly committed or who are under the jurisdiction of the Psychiatric Security Review Board. Residents no longer require hospitalization but still need 24-hour care and a higher level of supervision due to the status of their mental illness or the severity of their offense.

Treatment philosophy
Pendleton Cottage uses person-centered treatment planning in which residents direct their own treatment. Together, residents and their treatment teams create an integrated service and support plan, which incorporates the resident's residential service plan, treatment care plan and the resident's individual, self-stated dreams, desires and goals.

Residents who are under the jurisdiction of the Psychiatric Security Review Board also must meet the expectations outlined in their conditional release plans. To align with the self-directed treatment approach used at Pendleton Cottage, residents are encouraged to determine how they will meet their conditional release requirements and are offered opportunities for choice.

Pendleton Cottage services
- On-site psychiatric services
- Individual therapy
- Vocational services including on-site paid employment opportunities
- Recreational services, both on- and off-site
- Religious services provided by a contracted chaplain service for weekly services and scripture studies
- In-house case management
- Medication administration, monitoring and teaching
- Nursing services for individuals who have significant medical needs, such as diabetes, chronic obstructive pulmonary disease, or physical disabilities that affect their ability to walk

Facility
Opened in 2009, Pendleton Cottage consists of two separate houses, allowing for the opportunity to serve both men and women. One house has the capacity to serve up to four women and four men, and the other house serves up to eight men. The property also includes a greenhouse and park for the residents to use.

Staffing
Pendleton Cottage has 42 staff including the administrator to meet the residents' complex behavioral and medical needs. The average staffing ratio is three staff to eight patients, with at least three direct-care staff and one nurse on every shift. Staff provide:

- Resident supervision
- Therapeutic interventions
- Medical assistance
- Clinical work
- Case management
- Liaison to Psychiatric Security Review Board, including monthly progress reports

Any additional important background for decision makers that is not mentioned above. Include trends in caseload, workload or other external factors that may influence the operation of the program

None.

Revenue sources and proposed revenue changes. For Lottery Funds, Other Funds, and Federal Funds revenues

State General Fund.

Other Funds:

- Veterans Transportation Reimbursement
- Room and board (private payments)
- Meal tickets

Federal Funds:

- Medicaid Matching Funds

Proposed new laws that apply to the program unit.

None.

OREGON HEALTH AUTHORITY: OREGON STATE HOSPITAL

Program Unity Narrative: Junction City Campus

Expenditures by fund type, positions and full-time equivalents

	General	Other/Lottery	Federal	Total Fund	Pos.	FTE
Leg. Approved 15-17	$ 410.3	$ 5.6	$ 2.7	$ 418.6	422	422.00
Agency Request 17-19	$ 103.1	$ 8.0	$ 2.7	$ 113.8	504	501.00
Difference	$(307.3)	$ 2.4	$ (0.0)	$ (304.9)	82	79.00
Percent Change	-75%	43%	-1%	-73%	19%	19%

Activities, program and issues in the program unit base budget that may require further explanation than allowed in the Program Unit Executive Summary

Junction City Campus detail

- Capacity – 9 units (includes 3 cottages), 174 beds
- Operating – 4 units (0 cottages), 100 beds
- Populations served – civil commitment, guilty except for insanity
- Census – 73 (as of June 27, 2016)
- Square feet – 220,000
- Position authority – 422

Treatment program

Because of its small size, the Junction City campus has only one treatment program. It serves people who have been civilly committed and those who have successfully pleaded guilty except for insanity (GEI). Although the campus admits people from all 36 counties, an emphasis is put on serving seven southern counties—Lane, Curry, Klamath, Douglas, Jackson, Coos, and Lake.

Civil commitment
People admitted to OSH through a civil commitment require physically secure 24-hour care that is not available through community programs. They have been found by the court to be a danger to themselves or others, or unable to provide for their own basic needs such as health and safety, because of a mental disorder.

Guilty except for insanity
People who come to OSH after they have been found guilty of a crime except for insanity. Depending on the nature of their crime, these patients are under the jurisdiction of either the Psychiatric Security Review Board or the Oregon State Hospital Review Panel.

Any additional important background for decision makers that is not mentioned above. Include trends in caseload, workload or other external factors that may influence the operation of the program

Increasing civil population
Due to the rising number of patients under Aid and Assist orders at the Salem Campus, Junction City has accommodated the displaced civil population. In June 2016, the Junction City Campus opened a fourth unit, which helped the hospital reduce the wait list and reduce pressure on acute care hospitals that had people waiting to be admitted to OSH. Because Aid and Assist services are so specialized, they are available only at the Salem Campus. If the Aid and Assist population continues to increase, OSH will rely on its Junction City campus to serve more and more patients who have been civilly committed. The OSH ARB includes opening the final two units and all three of the eight-bed cottages on the Junction City campus.

Revenue sources and proposed revenue changes. For Lottery Funds, Other Funds, and Federal Funds revenues

State General Fund.

Other Funds:

- Medicare
- Third-party insurance
- Private payments
- Local revenue (e.g., café, coffee shop)

Federal Funds:

- Medicaid Matching Funds

Proposed new laws that apply to the program unit

OSH has experienced a dramatic increase in the number of Aid and Assist (".370") patients. Because of this, OSH is struggling to find beds for patients under .370 orders. OSH must meet the requirements of the federal order in Oregon Advocacy Center v. Mink, which requires OSH to admit defendants under .370 orders within seven days of the court finding them unable to aid and assist in their defense. The average daily population of patients under .370 orders at OSH has increased by 100 percent over the past four years, from 109.7 in January 2012 to 219.5 in February 2016.

OSH has submitted five legislative concepts each aimed at easing the .370 crisis:

- Divert from OSH those .370 defendants with 90 days or less on their sentences
- OSH forensic evaluations as arm of court
- OSH full competency evaluation not needed to conduct GEI evaluation
- Give .370 patients credit for time in jail
- OSH preliminary and subsequent forensic evaluations may be shorter

Divert from OSH those .370 defendants with 90 days or less on their sentences

Many defendants sent to OSH have 90 days or less left in their sentence before their commitments expire. Because of the statutory and constitutional limits of how long a person may be confined, such defendants/patients must be discharged from OSH relatively soon after they are admitted. In such cases, being admitted to OSH makes little sense, because OSH has very little time to stabilize the person before the person's charges will be dropped soon after they are discharged. Thus, sending defendants with less than 90 days left on their charges to OSH is not a prudent plan for the individuals or for the state. OSH has proposed that Oregon Revised Statute (ORS) 161.370 be amended so that defendants with 90 days or less left on their charges cannot be committed to OSH.

OSH forensic evaluations as arm of court (rather than competing evaluations)

Courts often receive competing evaluations from defense attorneys and prosecutors about whether a defendant is able to aid and assist. Similar to how civil commitment courts use court visitors to determine who needs to be civilly committed, OSH has proposed that a statutory change be made so evaluations will be done locally as an arm of the court by an objective evaluator.

OSH full competency evaluation not needed to conduct Guilty Except for Insanity (GEI) evaluation

As OSH .370 admissions have risen, the number of court-ordered evaluations being conducted by OSH's Forensic Evaluation Service has risen exponentially. OSH's Forensic Evaluation Services has struggled to keep up with the demand. In the meantime, many attorneys and evaluators erroneously believe that a full competency evaluation is needed in order to conduct a GEI evaluation. This means that resources often are wasted on unneeded full competency evaluations. OSH proposes that the statute be amended to clarify that a full competency evaluation is not needed to conduct a GEI evaluation.

OSH give .370 patients credit for time in jail

The Attorney General's office has advised OSH that .370 patients cannot get credit for time they spend in jail unless the court explicitly orders that they get credit. In other words, the statute gives credit only for time spent at the hospital. (In the order templates on OSH's website, which many counties use, OSH added the option for judges to order that defendants get credit for jail time, but not all judges choose to do so.) When the court does not explicitly give patients credit for time served in jail, their time at OSH is lengthened. (Note that "GEI" patients, meaning patients found guilty of a crime except for insanity, do get credit

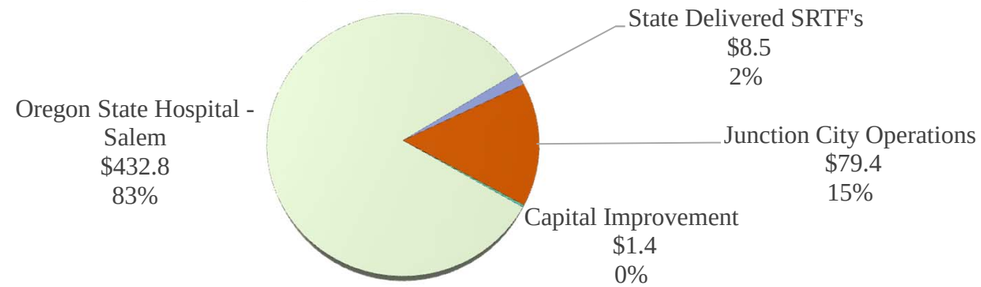
for time they spent in jail.) OSH proposes amending ORS 161.370 so that .370 patients will automatically get credit for time spent in jail.

OSH preliminary and subsequent forensic evaluations may be shorter

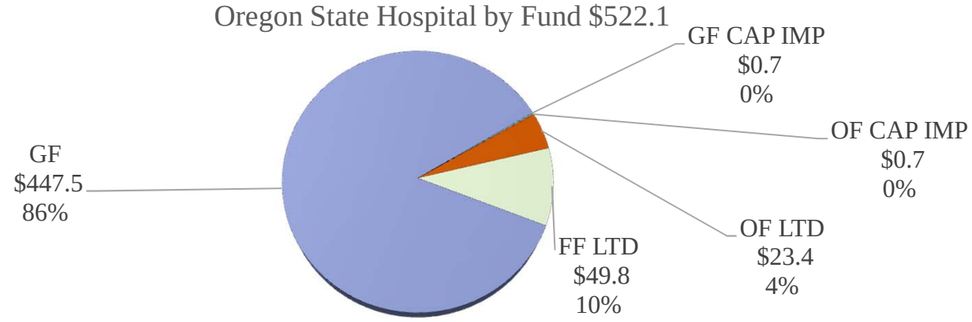
Currently, evaluators must draft comprehensive evaluations every time they evaluate a defendant/patient. This is true regardless of whether the evaluation is a preliminary .365 evaluation or a subsequent .370 evaluation. This takes up a great deal of resources – and a lot of time – even though the defendant/patient may need only an updated evaluation.

Allowing shorter evaluations would allow them to be completed sooner, and this would lead to patients getting out of OSH sooner. OSH proposes amending ORS 161.370 so that the first .370 evaluation must be thorough, but subsequent .370 evaluations may simply be updates. Similarly, OSH proposes amending ORS 161.365 so that .365 evaluations – which are supposed to serve as preliminary evaluations – may be shorter.

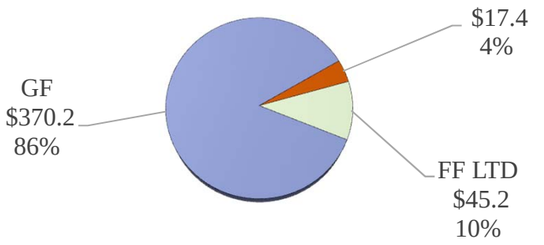
Oregon Health Authority
2015-17 Legislatively Approved Budget
Oregon State Hospital
by Program $522.1



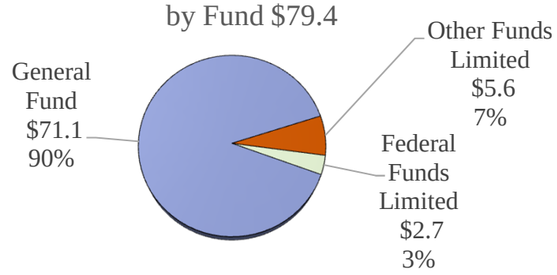
Oregon Health Authority
2015-17 Legislatively Approved Budget
Oregon State Hospital by Fund $522.1



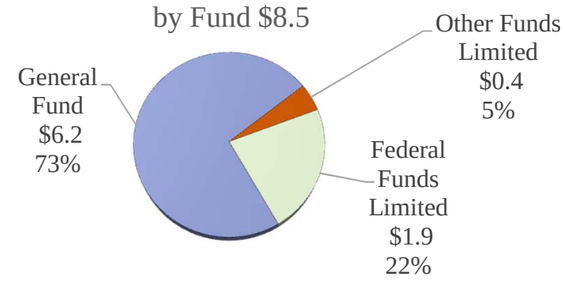
Oregon State Hospital - Salem
by Fund $432.8



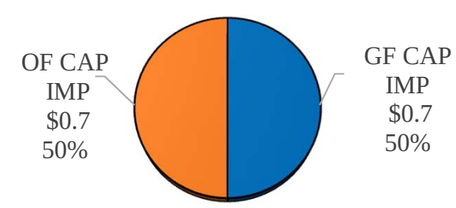
Junction City Operations
by Fund $79.4

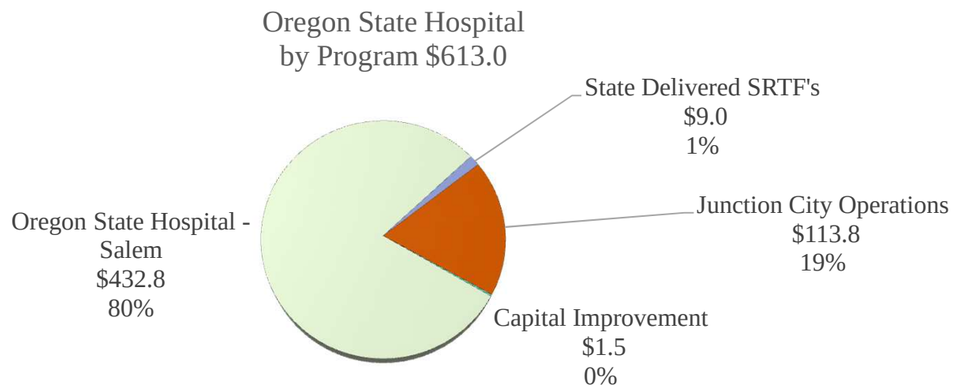


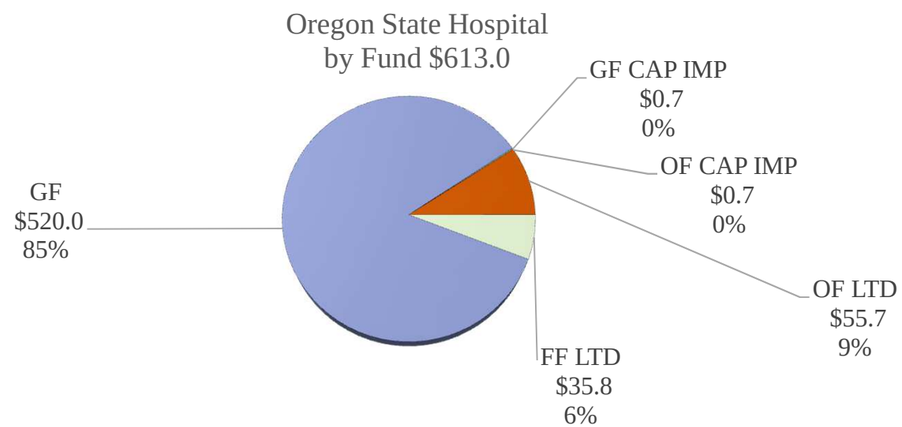
State Delivered SRTF's
by Fund $8.5

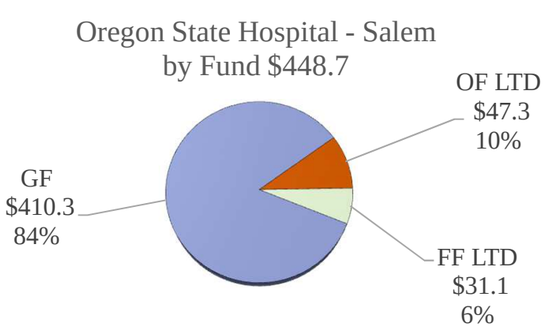


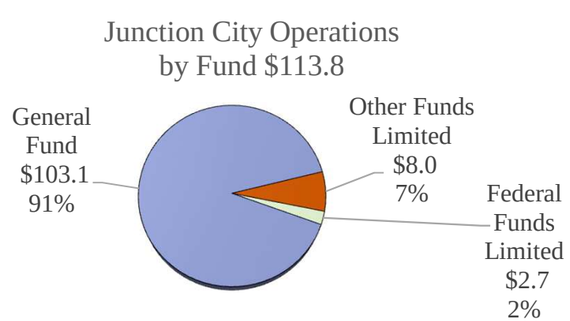
Capital Improvement
by Fund $1.4

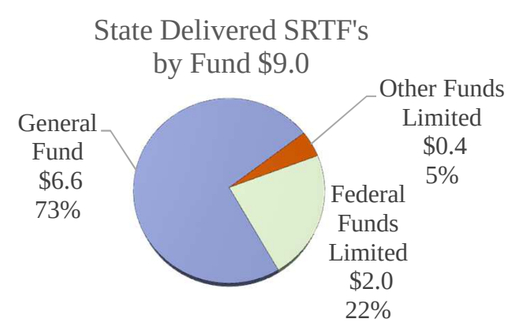


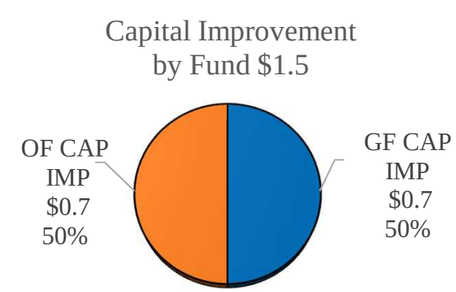

Oregon State Hospital
by Program $613.0
State Delivered SRTF's
$9.0
1%
Junction City Operations
$113.8
19%
Capital Improvement
$1.5
0%
Oregon State Hospital -
Salem
$432.8
80%


Oregon State Hospital
by Fund $613.0
GF CAP IMP
$0.7
0%
OF CAP IMP
$0.7
0%
OF LTD
$55.7
9%
FF LTD
$35.8
6%
GF
$520.0
85%


Oregon State Hospital - Salem
by Fund $448.7
OF LTD
$47.3
10%
FF LTD
$31.1
6%
GF
$410.3
84%


Junction City Operations
by Fund $113.8
General
Fund
$103.1
91%
Other Funds
Limited
$8.0
7%
Federal
Funds
Limited
$2.7
2%


State Delivered SRTF's
by Fund $9.0
General
Fund
$6.6
73%
Other Funds
Limited
$0.4
5%
Federal
Funds
Limited
$2.0
22%


Capital Improvement
by Fund $1.5
OF CAP
IMP
$0.7
50%
GF CAP
IMP
$0.7
50%

Oregon	
Oregon	$ 488.7
State	$ 9.0
Junction	$ 113.8
Capital	$ 1.5

Oregon	
General F	$ 520.0
General F	$ 0.7
General F	$ -
Lottery Fu	$ -
Other Fun	$ 0.7
Other Fun	$ -
Other Fun	$ 55.7
Other Fun	$ -
Federal Fu	$ -
Fenderal F	$ -
Federal Fu	$ 35.8

Oregon State Hospital - Salem

General F	$ 410.3
General F	$ -
General F	$ -
Lottery Fu	$ -
Other Fun	$ -
Other Fun	$ -
Other Fun	$ 47.3
Other Fun	$ -
Federal Fu	$ -
Fenderal F	$ -
Federal Fu	$ 31.1

State	
General F	$ 6.6
General F	$ -
General F	$ -
Lottery Fu	$ -
Other Fun	$ -
Other Fun	$ -
Other Fun	$ 0.4
Other Fun	$ -
Federal Fu	$ -
Fenderal F	$ -
Federal Fu	$ 2.0

Junction City Operations

General F	$ 103.1
General F	$ -
General F	$ -
Lottery Fu	$ -
Other Fun	$ -
Other Fun	$ -
Other Fun	$ 8.0
Other Fun	$ -
Federal Fu	$ -
Fenderal I	$ -
Federal Fu	$ 2.7

Capital Improvement

General F	$ -
General F	$ 0.7
General F	$ -
Lottery Fu	$ -
Other Fun	$ 0.7
Other Fun	$ -
Other Fun	$ -
Other Fun	$ -
Federal Fu	$ -
Fenderal I	$ -
Federal Fu	$ -

Oregon Health Authority Oregon State Hospital 44300-030-06-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
GENERAL FUND					
REVENUES					
General Fund Appropriation	0050	GF	385,602,108	448,221,830	520,713,139
TOTAL REVENUES		**GF**	**385,602,108**	**448,221,830**	**520,713,139**
TOTAL GENERAL FUNDS		**GF**	**385,602,108**	**448,221,830**	**520,713,139**
OTHER FUNDS					
REVENUES					
Beginning Balance	0025	OF	300,000	-	100,000
Charges for Services	0410	OF	6,718	-	-
Administrative Service Charges	0415	OF	6,851	271,517	271,517
Care of State Wards	0420	OF	12,689,833	2,369,042	2,369,042
Rents and Royalties	0510	OF	76,213	-	-
Sales Income	0705	OF	133,497	2,559,387	2,559,387
Other Revenues	0975	OF	1,639,347	18,181,783	50,474,905
TOTAL REVENUES		**OF**	**14,852,459**	**23,381,729**	**55,774,851**
TRANSFER IN					
Transfer in Intrafund	1010	OF	-	-	725,501
Transfer in General Fund	1060	OF	-	699,615	725,501
TOTAL TRANSFERS IN		**OF**	**-**	**699,615**	**1,451,002**
TRANSFER OUT					
Transfer to Intrafund	2010	OF	-	-	(725,501)

Oregon Health Authority Oregon State Hospital 44300-030-06-00-00000	2017-19 Revenue Report				
SOURCE	**COMP SOURCE GROUP**	**FUND**	**2013-15 Actuals**	**2015-17 Legislatively Approved Budget**	**2017-19 Agency Request Budget**
TOTAL TRANSFERS OUT		**OF**	**-**	**-**	**(725,501)**
TOTAL OTHER FUNDS		**OF**	**14,852,459**	**24,081,344**	**56,500,352**
FEDERAL FUNDS REVENUES					
Federal Funds Revenue	0995	FF	45,451,223	49,800,786	35,847,166
TOTAL REVENUES		**FF**	**45,451,223**	**49,800,786**	**35,847,166**
TOTAL FEDERAL FUNDS		**FF**	**45,451,223**	**49,800,786**	**35,847,166**
TOTAL AVAILABLE REVENUES		**TF**	**445,905,790**	**522,103,960**	**613,060,657**

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Health Authority | **Agency Number: 44300**
2017-19 Biennium | **Cross Reference Number: 44300-030-06-00-00000**

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Other Funds						
Charges for Services	6,718	-	-	-	-	-
Admin and Service Charges	6,851	-	271,517	271,517	-	-
Care of State Wards	12,689,833	-	2,369,042	2,369,042	-	-
Rents and Royalties	76,213	-	-	-	-	-
Sales Income	133,497	-	2,559,387	2,559,387	-	-
Other Revenues	1,639,347	-	18,181,783	50,474,905	-	-
Transfer In - Intrafund	-	-	-	725,501	-	-
Transfer from General Fund	-	-	699,615	725,501	-	-
Transfer Out - Intrafund	-	-	-	(725,501)	-	-
Total Other Funds	**$14,552,459**	**-**	**$24,081,344**	**$56,400,352**	**-**	**-**
Federal Funds						
Federal Funds	45,451,223	-	49,800,786	35,847,166	-	-
Total Federal Funds	**$45,451,223**	**-**	**$49,800,786**	**$35,847,166**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: Oregon State Hospital**

Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor | **Cross Reference Number: 44300-030-06-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	11,024,824	-	-	-	-	-	11,024,824
Other Revenues	-	-	337,568	-	-	-	337,568
Federal Funds	-	-	-	(245,422)	-	-	(245,422)
Total Revenues	**$11,024,824**	**-**	**$337,568**	**($245,422)**	**-**	**-**	**$11,116,970**
Personal Services							
Temporary Appointments	42,717	-	4,118	2,919	-	-	49,754
Overtime Payments	412,783	-	33,855	13,632	-	-	460,270
Shift Differential	137,622	-	10,716	3,483	-	-	151,821
All Other Differential	343,484	-	5,839	23,080	-	-	372,403
Public Employees' Retire Cont	170,644	-	9,623	7,673	-	-	187,940
Pension Obligation Bond	1,770,646	-	199,751	(299,507)	-	-	1,670,890
Social Security Taxes	71,651	-	4,171	3,298	-	-	79,120
Mass Transit Tax	1,636,382	-	69,495	-	-	-	1,705,877
Vacancy Savings	6,438,895	-	-	-	-	-	6,438,895
Total Personal Services	**$11,024,824**	**-**	**$337,568**	**($245,422)**	**-**	**-**	**$11,116,970**
Total Expenditures							
Total Expenditures	11,024,824	-	337,568	(245,422)	-	-	11,116,970
Total Expenditures	**$11,024,824**	**-**	**$337,568**	**($245,422)**	**-**	**-**	**$11,116,970**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Oregon State Hospital
Cross Reference Number: 44300-030-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 021 - Phase - In

Cross Reference Name: Oregon State Hospital
Cross Reference Number: 44300-030-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	46,902,682	-	-	-	-	-	46,902,682
Total Revenues	**$46,902,682**	**-**	**-**	**-**	**-**	**-**	**$46,902,682**
Personal Services							
Class/Unclass Sal. and Per Diem	17,201,916	-	-	-	-	-	17,201,916
Overtime Payments	1,588,701	-	-	-	-	-	1,588,701
Shift Differential	380,227	-	-	-	-	-	380,227
All Other Differential	1,106,072	-	-	-	-	-	1,106,072
Empl. Rel. Bd. Assessments	9,438	-	-	-	-	-	9,438
Public Employees' Retire Cont	3,199,799	-	-	-	-	-	3,199,799
Social Security Taxes	1,550,665	-	-	-	-	-	1,550,665
Worker's Comp. Assess. (WCD)	11,415	-	-	-	-	-	11,415
Mass Transit Tax	121,595	-	-	-	-	-	121,595
Flexible Benefits	5,517,108	-	-	-	-	-	5,517,108
Total Personal Services	**$30,686,936**	**-**	**-**	**-**	**-**	**-**	**$30,686,936**
Services & Supplies							
Instate Travel	493,751	-	-	-	-	-	493,751
Employee Training	1,462,361	-	-	-	-	-	1,462,361
Office Expenses	1,416,766	-	-	-	-	-	1,416,766
Telecommunications	453,417	-	-	-	-	-	453,417
Publicity and Publications	166,251	-	-	-	-	-	166,251
Professional Services	672,602	-	-	-	-	-	672,602
Fuels and Utilities	1,218,120	-	-	-	-	-	1,218,120

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 021 - Phase - In

Cross Reference Name: Oregon State Hospital
Cross Reference Number: 44300-030-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Facilities Maintenance	1,664,409	-	-	-	-	-	1,664,409
Food and Kitchen Supplies	1,369,536	-	-	-	-	-	1,369,536
Medical Services and Supplies	2,960,715	-	-	-	-	-	2,960,715
Other Services and Supplies	85,406	-	-	-	-	-	85,406
Expendable Prop 250 - 5000	80,920	-	-	-	-	-	80,920
Total Services & Supplies	**$12,044,254**	**-**	**-**	**-**	**-**	**-**	**$12,044,254**
Special Payments							
Dist to Cities	4,171,492	-	-	-	-	-	4,171,492
Total Special Payments	**$4,171,492**	**-**	**-**	**-**	**-**	**-**	**$4,171,492**
Total Expenditures							
Total Expenditures	46,902,682	-	-	-	-	-	46,902,682
Total Expenditures	**$46,902,682**	**-**	**-**	**-**	**-**	**-**	**$46,902,682**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							170
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**170**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 021 - Phase - In

Cross Reference Name: Oregon State Hospital
Cross Reference Number: 44300-030-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total FTE							
Total FTE							165.50
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**165.50**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Oregon State Hospital
Cross Reference Number: 44300-030-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(2,689,503)	-	-	-	-	-	(2,689,503)
Federal Funds	-	-	-	(15,498,335)	-	-	(15,498,335)
Total Revenues	**($2,689,503)**	**-**	**-**	**($15,498,335)**	**-**	**-**	**($18,187,838)**
Services & Supplies							
Professional Services	(2,689,503)	-	-	-	-	-	(2,689,503)
Total Services & Supplies	**($2,689,503)**	**-**	**-**	**-**	**-**	**-**	**($2,689,503)**
Special Payments							
Other Special Payments	-	-	-	(15,498,335)	-	-	(15,498,335)
Total Special Payments	**-**	**-**	**-**	**($15,498,335)**	**-**	**-**	**($15,498,335)**
Total Expenditures							
Total Expenditures	(2,689,503)	-	-	(15,498,335)	-	-	(18,187,838)
Total Expenditures	**($2,689,503)**	**-**	**-**	**($15,498,335)**	**-**	**-**	**($18,187,838)**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: Oregon State Hospital
Cross Reference Number: 44300-030-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	2,349,112	-	-	-	-	-	2,349,112
Other Revenues	-	-	253,148	-	-	-	253,148
Federal Funds	-	-	-	252,657	-	-	252,657
Transfer In - Intrafund	-	-	25,886	-	-	-	25,886
Transfer from General Fund	-	-	25,886	-	-	-	25,886
Total Revenues	**$2,349,112**	**-**	**$304,920**	**$252,657**	**-**	**-**	**$2,906,689**
Transfers Out							
Transfer Out - Intrafund	-	-	(25,886)	-	-	-	(25,886)
Total Transfers Out	**-**	**-**	**($25,886)**	**-**	**-**	**-**	**($25,886)**
Services & Supplies							
Instate Travel	122,377	-	1,393	172	-	-	123,942
Out of State Travel	510	-	30	7	-	-	547
Employee Training	62,534	-	317	22	-	-	62,873
Office Expenses	142,812	-	886	125	-	-	143,823
Telecommunications	87,540	-	871	115	-	-	88,526
Data Processing	28,060	-	-	-	-	-	28,060
Publicity and Publications	3,050	-	-	-	-	-	3,050
Professional Services	13,592	-	529	26,040	-	-	40,161
IT Professional Services	192	-	-	-	-	-	192
Attorney General	178,941	-	1,549	309	-	-	180,799
Employee Recruitment and Develop	55,349	-	119	43	-	-	55,511
Dues and Subscriptions	1,135	-	54	8	-	-	1,197

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: Oregon State Hospital
Cross Reference Number: 44300-030-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Facilities Rental and Taxes	3	-	17	6	-	-	26
Fuels and Utilities	113,275	-	965	8	-	-	114,248
Facilities Maintenance	92,271	-	5,143	28,171	-	-	125,585
Food and Kitchen Supplies	278,074	-	16,608	10,713	-	-	305,395
Medical Services and Supplies	839,614	-	215,910	137,472	-	-	1,192,996
Other Care of Residents and Patients	85,166	-	543	33,522	-	-	119,231
Agency Program Related S and S	88,374	-	250	5,451	-	-	94,075
Other Services and Supplies	36,130	-	171	4,053	-	-	40,354
Expendable Prop 250 - 5000	58,396	-	37	5,468	-	-	63,901
IT Expendable Property	5,302	-	37	637	-	-	5,976
Total Services & Supplies	**$2,292,697**	**-**	**$245,429**	**$252,342**	**-**	**-**	**$2,790,468**
Capital Outlay							
Office Furniture and Fixtures	-	-	-	-	-	-	-
Telecommunications Equipment	-	-	-	-	-	-	-
Technical Equipment	-	-	-	-	-	-	-
Household and Institutional Equip.	11,179	-	28	14	-	-	11,221
Industrial and Heavy Equipment	2,985	-	10	5	-	-	3,000
Data Processing Software	-	-	-	-	-	-	-
Data Processing Hardware	-	-	-	-	-	-	-
Land and Improvements	1,694	-	10,046	3	-	-	11,743
Building Structures	7,004	-	15,858	35	-	-	22,897

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 031 - Standard Inflation

Cross Reference Name: Oregon State Hospital
Cross Reference Number: 44300-030-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Capital Outlay							
Other Capital Outlay	-	-	-	-	-	-	-
Total Capital Outlay	**$22,862**	**-**	**$25,942**	**$57**	**-**	**-**	**$48,861**
Special Payments							
Dist to Cities	-	-	-	-	-	-	-
Dist to Individuals	7,113	-	6,739	48	-	-	13,900
Intra-Agency Gen Fund Transfer	25,886	-	-	-	-	-	25,886
Other Special Payments	554	-	924	210	-	-	1,688
Spc Pmt to Oregon Health Authority	-	-	-	-	-	-	-
Total Special Payments	**$33,553**	**-**	**$7,663**	**$258**	**-**	**-**	**$41,474**
Total Expenditures							
Total Expenditures	2,349,112	-	279,034	252,657	-	-	2,880,803
Total Expenditures	**$2,349,112**	**-**	**$279,034**	**$252,657**	**-**	**-**	**$2,880,803**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Oregon State Hospital
Cross Reference Number: 44300-030-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	90,768	-	-	-	-	-	90,768
Other Revenues	-	-	23,342	-	-	-	23,342
Federal Funds	-	-	-	14,861	-	-	14,861
Total Revenues	**$90,768**	**-**	**$23,342**	**$14,861**	**-**	**-**	**$128,971**
Services & Supplies							
Medical Services and Supplies	90,768	-	23,342	14,861	-	-	128,971
Total Services & Supplies	**$90,768**	**-**	**$23,342**	**$14,861**	**-**	**-**	**$128,971**
Total Expenditures							
Total Expenditures	90,768	-	23,342	14,861	-	-	128,971
Total Expenditures	**$90,768**	**-**	**$23,342**	**$14,861**	**-**	**-**	**$128,971**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 410 - Oregon State Hospital Improvements

Cross Reference Name: Oregon State Hospital
Cross Reference Number: 44300-030-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(10,355,765)	-	-	-	-	-	(10,355,765)
Other Revenues	-	-	30,789,029	-	-	-	30,789,029
Total Revenues	**($10,355,765)**	**-**	**$30,789,029**	**-**	**-**	**-**	**$20,433,264**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	8,079,720	-	-	-	8,079,720
Empl. Rel. Bd. Assessments	-	-	4,731	-	-	-	4,731
Public Employees' Retire Cont	-	-	1,219,061	-	-	-	1,219,061
Social Security Taxes	-	-	618,104	-	-	-	618,104
Worker's Comp. Assess. (WCD)	-	-	5,727	-	-	-	5,727
Mass Transit Tax	-	-	47,422	-	-	-	47,422
Flexible Benefits	-	-	2,766,888	-	-	-	2,766,888
Total Personal Services	**-**	**-**	**$12,741,653**	**-**	**-**	**-**	**$12,741,653**
Services & Supplies							
Instate Travel	-	-	238,957	-	-	-	238,957
Employee Training	-	-	600,736	-	-	-	600,736
Office Expenses	-	-	454,591	-	-	-	454,591
Telecommunications	-	-	192,311	-	-	-	192,311
Data Processing	-	-	50,000	-	-	-	50,000
Professional Services	-	-	3,393,320	-	-	-	3,393,320
Medical Services and Supplies	(10,355,765)	-	10,355,765	-	-	-	-
Other Services and Supplies	-	-	41,334	-	-	-	41,334

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority | **Cross Reference Name: Oregon State Hospital**
Pkg: 410 - Oregon State Hospital Improvements | **Cross Reference Number: 44300-030-06-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Expendable Prop 250 - 5000	-	-	39,508	-	-	-	39,508
Total Services & Supplies	**($10,355,765)**	**-**	**$15,366,522**	**-**	**-**	**-**	**$5,010,757**
Capital Outlay							
Household and Institutional Equip.	-	-	226,000	-	-	-	226,000
Data Processing Software	-	-	85,000	-	-	-	85,000
Building Structures	-	-	240,000	-	-	-	240,000
Other Capital Outlay	-	-	60,000	-	-	-	60,000
Total Capital Outlay	**-**	**-**	**$611,000**	**-**	**-**	**-**	**$611,000**
Special Payments							
Dist to Cities	-	-	2,069,854	-	-	-	2,069,854
Total Special Payments	**-**	**-**	**$2,069,854**	**-**	**-**	**-**	**$2,069,854**
Total Expenditures							
Total Expenditures	(10,355,765)	-	30,789,029	-	-	-	20,433,264
Total Expenditures	**($10,355,765)**	**-**	**$30,789,029**	**-**	**-**	**-**	**$20,433,264**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Health Authority
Pkg: 410 - Oregon State Hospital Improvements

Cross Reference Name: Oregon State Hospital
Cross Reference Number: 44300-030-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Positions							
Total Positions							83
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**83**
Total FTE							
Total FTE							83.00
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**83.00**

	DRAFT 2017-19 OHA - PROPOSALS/POLICY OPTION PACKAGES								
POP #	Lead Program Area	Official Title (45 Character Limit)	Description (limit to 700 characters)	General Fund	Other Funds	Federal Funds	Total Funds	POS	FTE
201	Shared Services - OIS	**Integrated Eligibility Project - Tied to DHS POP**	DHS is seeking legislative approval for a project that would transfer human service eligibility determination functionality from Kentucky to add to the new integrated OregONEligibility system. This will impact eligibility for Non-MAGI Medicaid, ERDC, SNAP and TANF programs. The OHA portion of Operations & Maintenance funding is what is represented on this POP.		$ 10,762,599		$ 10,762,599	22	19.75
202	Shared Services - OIS	**ISPO Investments**	The Information Security and Privacy Office (ISPO) is a DHS/OHA shared-service program responsible for the physical, personnel, and technical aspects of DHS/OHA information privacy and security protection. Increased funding supports: - Proactive awareness and education program – DHS people, while our greatest asset, are our greatest privacy and security threat/vulnerability. Increased training is a critical element to managing this risk. - Security incident management and threat detection – Improve environment security and reduce repeat incidents through more timely investigation, root-cause analysis, and mitigation of vulnerabilities. - Integrate ISPO early in projects and contracts – Reduce risk, increase compliance, and ensure vendor accountability via early integration of consistent and relevant information security and privacy standards to contracts and projects. Not funding this request significantly increases compliance, legal, financial and reputational risks for the DHS/OHA organizations and information.	$ 211,454	$ 1,026,234	$ 101,542	$ 1,339,230	4	4.00
203	SAEC	**SOS performance audits can't be paid with Federal Funds**	The federal government has made an interpretations shift and will no longer pay for performance (as opposed to compliance) audits. The SOS has stated that 39.42% of their audits are performance audits. This means these audits can only be paid for by General Fund and we can no longer bill performance audits to the federal government. This request would fund shift dollars from federal to general funds due to this change. The other alternative is for SOS to no longer do performance audits on DHS and lower their price list of costs to DHS.	$ 1,364,312	$ (380,815)	$ (983,497)	$0		

POP #	Lead Program Area	Official Title (45 Character Limit)	Description (limit to 700 characters)	General Fund	Other Funds	Federal Funds	Total Funds	POS	FTE
	DHS/OHA Shared	**DHS Shared services- OHA Portion TIED TO DHS POPS**							
204	Shared Services - OPAR	OPAR Position Reconciliation and True-up	This POP is important to DHS's Office of Payment Accuracy and Recovery's (OPAR) ability to work with our Program and Federal partners in ensuring service excellence and accountability in our SNAP, TANF, ERDC, and Medical programs. The POP would reconcile and create the positions and funding necessary to sustain OPAR's budget and operations. Once positions are created and approved OPAR would be in a one position per person situation allowing for easier management and budgeting, as well as providing some certainty regarding OPAR's ability to sustain Service Level Agreements over the long-term. This would require establishing 23 positions and abolishing 17 for a total net biennial cost of approximately $2.2 million.	$ 493,863	$ -	$ 493,863	$ 987,726		
205	HR DHS/OHA	Background Check Unit Workload	Requests staff to meet currently required background checks within required time limits and to meet projected needs due to program growth and new federal and state statutes implementing during the 2017-19 biennium. Steadily increasing numbers of background checks per year and growing complexity of work combined with stagnant or decreased staffing for the Background Check Unit (BCU) over the last few biennia have resulted in mounting backlogs and processing timelines for background checks.	$ 221,932	$ 37,558	$ 81,944	$ 341,434		
206	HR DHS/OHA	FMLA/OFLA	Requests staff to timely process FMLA/OFLA requests to meet federal and state processing requirements and to properly monitor and provide quality monitoring to ensure appropriate use of FMLA/OFLA statutes. Additionally failure to respond in a timely manner to requests from staff during a time of physical and emotional distress results in low employee moral and loss of faith in the organization to support employees during a time of their highest need.	$ 64,300	$ 10,882	$ 23,741	$ 98,923		

POP #	Lead Program Area	Official Title (45 Character Limit)	Description (limit to 700 characters)	General Fund	Other Funds	Federal Funds	Total Funds	POS	FTE
401	Public Health	**Cleaner Air Oregon Initiative**	This POP would build the foundational capacity of the Environmental Public Health Section of the Public Health Division and protect Oregon communities from environmental health risks. Preventing environmental exposures can reduce the rates of illness and decrease the overall costs of healthcare in Oregon. Environmental health issues such as childhood lead poisoning, poor air quality and the effects of climate change disproportionately affect low income and minority populations. By funding this POP, OHA will have the capacity to work with the Oregon Department of Environmental Quality to support and implement health based environmental regulations to protect the health of all Oregonians.	$ 989,185	$ (217,741)	$ (520,739)	$250,705		
402	CFO/HSD	**Enhance OHA Office of Program Integrity**	This request enhances staff in Provider Audits for CCO oversight and monitoring and creates a unit specific to the auditing, oversight and monitoring of long term care services and supports (LTCSS) and home and community-based Medicaid providers. The request also includes contract expenditures for data analysis necessary to build a more robust analytic operation within Medicaid. These positions will generate revenue that creates General Fund savings in the 2019-21 biennium.	$ 1,566,735	$ 2,050,000	$ 3,614,761	$ 7,231,496	7	6.16
403	HSD - Medicaid	**Hepatitis C Treatment Expansion**	Hepatitis C is a viral infection that primarily affects the liver and progresses through several stages of increasing disease severity (Stages F0 through F4). Higher stage disease results in chronic liver disease, liver failure and possibly liver cancer. Direct acting antiviral (DAA) medications are available to treat Hepatitis C infection and frequently results in a cure. DAAs are in general expensive medications relative to other prescription drugs. Treatment of Hepatitis C in the Oregon Health Plan has been offered for Stage F3 and F4 disease with limited earlier stage treatment. This POP would fund cover treatment to those clients with stage F2.	$ 42,623,093	$ 19,129,530	$ 200,186,507	$261,939,130	-	0.00
404	HSD - Non-Medicaid	**Juvenile Fitness to Proceed**	This POP corresponds to the Juvenile Fitness to Proceed (Aid and Assist) legislative concept, which would make changes to Oregon Revised Statutes in the area of Juvenile Fitness to Proceed. The concept, if passed into law, would increase the likelihood that youth receiving restorative services would receive services and supports that meet their medical, behavioral, and emotional needs in a community, non-residential setting, reducing the burden on the youth mental health residential system. The revised process would generate GF savings due to decreased utilization of residential treatment for these youth.	$ (438,984)	$ -	$ -	$ (438,984)		

POP #	Lead Program Area	Official Title (45 Character Limit)	Description (limit to 700 characters)	General Fund	Other Funds	Federal Funds	Total Funds	POS	FTE
405	Shared Services - OIS	**Medicaid Management Information System (MMIS) Strategic Plan for Modularization**	The Centers for Medicare and Medicaid Services (CMS) requires all states to plan and implement modular solutions to support Medicaid, using a competitive process. Oregon's current Medicaid Management Information System (MMIS) is a monolithic system implemented in 2008. Oregon's Medicaid Management Information System (MMIS) was originally designed to primarily support a fee for service-based model, with extensive modifications done later to support Oregon's Coordinated Care Organization (CCO) capitation-based model. This POP requests state funds to secure 90% federal financial participation funds to: define Oregon's Medicaid Service Delivery strategy; assess other states modularization approaches; identify options for modular solutions; define certification requirements; and, begin procurement activities to secure modular solution components.	$ 367,739	$ 2,022,391	$ 3,241,513	$5,631,643	9	9.00
406	HSD - Admin	**ONE System Enhancements**	The Centers for Medicare and Medicaid Services (CMS) offers additional enhanced funding for updating eligibility systems. This policy option package is requesting the authority to fund enhancements to Oregon's Modified Adjusted Gross Income (MAGI) Medicaid eligibility determination system (called ONE). Currently, OHA has a contract with Deloitte Consulting—the systems integrator that built the ONE system—to continue to enhance it while maintaining and operating it. The plan is to implement new functionality several times a year as prioritized by Health Systems Division. This POP would also support anticipated necessary changes when CMS issues new requirements for MAGI Medicaid eligibility systems.	$ 1,283,680	$ -	$ 11,516,320	$12,800,000		-

POP #	Lead Program Area	Official Title (45 Character Limit)	Description (limit to 700 characters)	General Fund	Other Funds	Federal Funds	Total Funds	POS	FTE
407	HSD - Medicaid	**OHP Coverage for All Kids**	This POP would provide the Oregon Health Plan (OHP) benefit package to children who do not qualify for full OHP benefits solely because they do not meet federal citizenship and immigration status requirements under Medicaid and the Children's Health Insurance Program (CHIP). Income eligibility would be up to 300 percent of the federal poverty level. Coverage would be for children through 18 years of age.	$ 55,030,483			$ 55,030,483		
408	HSD - Medicaid	**Oregon Health Plan Demonstration (Waiver) Renewal Proposed Changes**	This request funds four changes included in the application to renew the Oregon Health Plan 1115 Demonstration with Center for Medicare and Medicaid Services (CMS). The state is requesting that the costs for the following are excluded from the assumed inflation growth rate for the Oregon Health Plan: Breakthrough therapies; high-cost brand name drugs; automatic managed care enrollment for individuals dually eligible for Medicaid and Medicare; and, the Coordinated Health Partnership (CHP) program, which would be locally-governed pilot programs to address our most at-risk populations using a combination of housing, health care integration, and transitions and supportive services to reduce Medicaid costs and improve health outcomes.						
		Waiver breakdown:	- Break through therapies - outside 3.4% growth	$ 28,161,238		$ 76,422,891	$104,584,129		
		Waiver breakdown:	- Brand name drugs inflation over 3.4%	$ 26,924,867		$ 95,029,846	$121,954,713		
		Waiver breakdown:	- Automatic enrollment for dually eligible OHP clients (allowing opt out) over 5 years	$ 3,030,869		$ 5,092,607	$8,123,476		
		Waiver breakdown:	- Coordinated Health Partnerships (CHP) - funded through CNOM (state fund portion =$18.9 million funded with state funds relieved through CNOM)	$ -	$ 18,900,000	$ 32,951,852	$51,851,852		
070		**OHA Fee Changes.**							
	HSD	Tobacco Master Settlement Revenue decrease	Other Fund revenue shortfall. No corresponding POP request.		$ (3,301,600)		$ (3,301,600)		
	PH	Tobacco Master Settlement Revenue decrease	Other Fund revenue shortfall. No corresponding POP request.		$ (850,200)		$ (850,200)		
	PH	Oregon Environmental Laboratory Accreditation Program (ORELAP)	Other Fund revenue shortfall. See corresponding POP request below.		$ (16,417)		$ (16,417)		(0.04)
	PH	Newborn Screening	Other Fund revenue shortfall. See corresponding POP request below.		$ (11,170)		$ (11,170)		(0.08)
	PH	Health Care Regulation and Quality Improvement (HCRQI)	Other Fund revenue shortfall. See corresponding POP request below. This is inclusive of Hospice, In-Home Care Licensing, and the Health Facilities Plan Review.		$ (936,475)		$ (936,475)	(2)	(2.79)

POP #	Lead Program Area	Official Title (45 Character Limit)	Description (limit to 700 characters)	General Fund	Other Funds	Federal Funds	Total Funds	POS	FTE
409	PH	Oregon Environmental Laboratory Accreditation Program (ORELAP) Fee Changes	Proposing fee increases to insure revenue covers cost of administrating the following program: Oregon Environmental Laboratory Accreditation Program (ORELAP) for implementation of fees for Marijuana testing labs		$ 16,417		$ 16,417	-	0.04
	PH	Newborn Screening Fee Changes	Proposing fee increases to insure revenue covers cost of administrating the following program: Oregon Newborn Screening program		$ 11,170		$ 11,170	-	0.08
	PH	Health Facilities Plan Review Fee Change	Proposing fee increases to insure revenue covers cost of administrating the following program: Facility Planning and Safety Construction Plan Review		$ 761,008		$ 761,008	2	2.00
	PH	Hospice & In-Home Care Licensing Fee Changes	Proposing fee increases to insure revenue covers cost of administrating the following program: 1) In-Home Care Agency Licensing ($173,823) 2) Hospice Agency Licensing ($1,644)		$ 175,467		$ 175,467	-	0.79
	HPA - OHIT	Office of Health Information Technology Fee	This POP is necessary for OHA to obtain Other Fund limitation and establish fee structures to support three health information technology efforts in Oregon: the Oregon Common Credentialing Program as mandated by Senate Bill 604 (2013 Regular Session); the statewide Provider Directory; and, the CareAccord® program. Other Fund limitation allows the collection and utilization of fees to cover operating costs of these programs.		$ 22,983,343		$ 22,983,343		
410	OSH	**Oregon State Hospital Improvements**	Oregon State Hospital is positioned to certify up to an additional 454 hospital-licensed beds with the Centers for Medicare & Medicaid Services (CMS). CMS certification allows OSH to bill insurance plans for patients covered by Medicare, Medicaid, and third-party commercial insurance. Positions are required to maintain the revenue. Positions will used for revenue billing and collection and to maintain accreditation and compliance. Although included in the 2017-19 Current Service Level budget, an important component supporting OSH improvement efforts is the expansion of the Collaborative Problem Solving (CPS) treatment model, which has demonstrated success in improving treatment and safety. Through CPS and the help of a CPS coach, staff and patients work together to develop the skills needed to recover, successfully transition back to the community, and avoid re-admission.	$ (10,355,765)	$ 24,646,184		$ 14,290,419	49	49

POP #	Lead Program Area	Official Title (45 Character Limit)	Description (limit to 700 characters)	General Fund	Other Funds	Federal Funds	Total Funds	POS	FTE
			Expand position authority and budget to properly fund nursing float pool. OSH relies on overtime to maintain safe direct-care staffing levels, because it does not have enough legislatively approved positions to replace staff who call-out sick, are on medical leave, or assigned to one patient for safety precautions. As a result, even with overtime, patient units often work with less than the number of staff needed to provide treatment and ensure safety.		$6,142,845		$6,142,845	34	34
411	Public Health	**Public Health Modernization**	House Bill 3100 (2015 Regular Session) required that state and local public health authorities assess the degree to which core public health needs are being met in Oregon communities. This POP would address the significant program gaps identified in that public health assessment and to build a sustainable infrastructure to support public health modernization long-term. Investments in this POP would provide critical support to local public health authorities and state public health that are necessary for the public health system as a whole. This request is prioritized by areas with the most significant gaps, including the ability to fully implement a system of accountability metrics for state and local health departments, modern information technology, health equity, and the ability to provide comprehensive, real-time population health data in order to inform public health policy and program decision-making.	$ 30,000,000	$ (485,369)	$ (812,532)	$28,702,099		
412		**SGSC & Telecomm Exceptions**							
	SAEC	**SGSC Exception for all Usage-Based DAS Charges**	OHA is incurring much higher usage on the Department of Administrative Services (DAS) Price List of Goods & Services for State Government Service Charges (SGSC). The increases in usage are for the following: Shuttle Mail, Standard and Manual Payroll checks, PERS Standard Activity, Warrants & Return to Agency, SFMA and Staff charges, ACH, Treasury and Banking Fees, Agency-Specific Procurement Services.	$ 312,952	$ 54,981	$ 159,845	$ 527,778		
	SAEC	**Telecommunication Exception for Usage-Based DAS Charges**	OHA is incurring much higher usage on the Telecommunications as compared to the 2015-17 Budget inflated with the 17-19 standard inflation of 3.7% and the usage-based, DAS-calculated inflation.	$ 1,077,353	$ 308,060	$ 1,063,116	$ 2,448,529		
				$ 182,929,306	**$ 102,838,882**	**$ 427,663,580**	**$ 713,431,768**	**125**	**121.91**

Department of Human Services / Oregon Health Authority
2017-19 Policy Option Package

Agency Name: **Department of Human Services**
Program Area Name: **Program Design Services**
Program Name: **Information Technology Business Supports**
Policy Option Package Initiative: **DHS Integrated Eligibility Project**
Policy Option Package Title: **Integrated Eligibility**
Policy Option Package Number: **201**
Related Legislation: **N/A**

Summary Statement:

This POP will provide resources to support the continuation of the Department's Integrated Eligibility Project during FY17-19 resulting in a single eligibility determination system for Non-MAGI Medicaid, Supplemental Nutrition Assistance Program (SNAP Food Stamps), Temporary Assistance for Needy Families (TANF Cash Assistance), and Employment Related Day Care (ERDC Child Care subsidies).

This POP would further the design, development, and implementation period for the Integrated ONE System – jointly shared by DHS and OHA for the purposes of Eligibility Determination work. DHS plans to put the system into pilot in the summer of 2018, followed by a four month implementation roll-out. This POP takes advantage of enhanced federal funds across two separate federal agencies. Without funding, DHS will not be able to continue its project in a timely manner, resulting in increased state general fund cost for work after the A87 Cost Allocation exception process expires.

This POP also has a corresponding POP at DAS Enterprise Technology Services for support of DHS' business needs, and is related to the Legacy System Project that DHS is undertaking to

ensure that functionality not assumed into the IE system from legacy systems will still be available for DHS business usage.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing Total:	**$11,959,788**	**$29,037,599**	**$101,794,707**	**$142,792,094**
DHS – PDS (ITBS)	$7,609,969	$18,275,000	$101,794,707	$127,679,676
DHS – DEBT SERVICE	$4,349,819	$0	$0	$4,349,819
OHA (DHS Sister POP)	$0	$10,762,599	$0	$10,762,599

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP will provide resources, primarily in the form of federal fund limitation, XI Q-Bond financing proceeds, and position authority) to support the continued work of the DHS Integrated Eligibility Project and its transition into maintenance and operations.

DHS has engaged with system integrator, Deloitte Consulting, in a transfer project to expand the functionality of the OregONEligibility system for MAGI Medicaid, known as the ONE system. DHS seeks to bring the human service financial eligibility determination functionality from Kentucky's benefind system to Oregon, resulting in a single system that Oregonians can apply for and receive benefits from OHA or DHS in Medicaid, SNAP, TANF, or ERDC program areas. By the conclusion of the 15-17 biennium, the Department will have completed the Fit/Gap phase of the project, and begun the design, development, and implementation phase. Using iterative development, DHS will have completed all of the

design, and development activities should be underway. The first DHS testing activities are scheduled to occur in May 2017.

This POP continues those efforts, and sees the project through complete implementation and transition to maintenance & operations of the system. Implementation activities should be completed by December of 2018, followed by a warranty period and the beginning of maintenance and operation by June 30, 2019, resulting in the roll-out of the Integrated ONE system which will be used by both OHA and DHS.

2. WHY DOES DHS PROPOSE THIS POP?

DHS wishes to maximize the increased federal funding associated with this system project, by utilizing the A87 Cost Allocation Exception process, which allows for CMS 90/10 funding to be used for any system functionality that benefits Medicaid recipients. This increased federal funding greatly exceeds the amount of federal funds available from either USDA Food & Nutrition Services in support of SNAP system enhancements or Administration on Children & Families in support of TANF or ERDC system enhancements. This reduces the amount of state general fund necessary to support the technology upgrade off of legacy, mainframe based eligibility determination systems.

It will also enhance the potential for better care coordination for Oregonians by having all financial eligibility information in a singular system of record. It sets a common platform for both OHA and DHS eligibility, allowing for a systematic approach to further work to bring in additional programs and fully transition to a single eligibility system over the coming years.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS?

The project will assist Oregonians to achieve wellbeing and independence by providing timely and efficient eligibility determinations for the Department's programs. It will allow Oregonians to self-service by applying through the applicant portal at times that are convenient for them, minimizing time needed in DHS field offices to complete the process. The system will also generate notices in seven languages and in five alternate formats, helping to reduce barriers for traditionally underserved populations. It will also gather and store applicants preferred race and ethnicity values allowing for culturally competent care.

4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?

This POP supports clients accessing our services and measurements around outreach and quality of services.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

No new alternatives were considered as this is an extension of previous investment.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Failure to fund this POP would result in the IE project coming to a halt; and increased general fund cost to bring it to its eventual completion.

(a) What services and programs would be affected?

APD Non-MAGI Medicaid eligibility determination, SSP eligibility determination for SNAP, TANF, ERDC.

(b) What client or population groups would be affected?

All department clients of programs in (a) above, including aged and disabled adults, people living nearest to poverty line.

(c) What providers would be affected?

Medicaid providers, CDDPs/Brokerages (for financial eligibility only) and child care providers potentially

(d) Would federal or other funding be reduced?
Enhanced federal funding for the project runs out on December 31, 2018.

(e) Would the agency be out of compliance with federal requirements?
N/A

(f) What are the expected results?

Timely and correct eligibility determinations and redeterminations for Non-MAGI Medicaid, SNAP, TANF, ERDC

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

OHA is impacted because POP enhances their current system.
DAS is impacted because equipment and services at ETS are required to support POP.
DOJ is impacted because DHS system will need to interface with new Child Support system.
OED is impacted because DHS system will have interface with Employment Department.
ODE is impacted because DHS system will interface with system that makes payments to Early Learning Division Child Care Providers.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

None

10. WHAT IS YOUR EQUITY ANALYSIS?

DHS System will be able to support notice generation in seven languages and five alternate formats. It will gather applicants preferred written and spoken language as well as race and ethnicity to help department

providers provide culturally competent care. This will bring us into compliance with REAL+D work, and allow another way for communities and individuals in Oregon to interact with DHS.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): July 1, 2017 (ongoing-continuing 15-17 Investment)

End Date (if applicable): June 30, 2019

a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.

- ☒ Aging & People with Disabilities
- ☒ Intellectual/Developmental Disabilities
- ☒ Self-Sufficiency Program
- ☒ IT Business Supports
- ☒ OIS

b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected. See Addendum A – Shared, OIS and Central Offices Services LC/POP Impact Questionnaire.

Yes – OIS and ITBS.

There will be additional costs associated with facilities for staffing.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

No, however, through the process of updating the system Oregon may find some of our eligibility criteria or work around determining benefits may not have been accurate and have subsequent changes to eligibility. We don't expect any substantial changes from this at this time and cannot model or predict beyond anecdotal assumptions.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.

Yes.

1.5 FTE of PEM G for 24 months (LD) (DHS)
1 Pub Affairs Specialist 3 for 24 months (LD) (DHS)
16 OPA3 for 18 months (LD) (DHS)
1 Office Mgr 2 for 18 months (LD) (DHS)
2 TDS 2 for 18 months (LD) (DHS)
1 ISS4 for 18 months (LD) (OHA)
3 ISS6 for 18 months (LD) (OHA)
10 ISS8 for 18 months (LD) (OHA)
3 PM2 for 18 months (LD) (OHA)
3 PM3 for 18 months (LD) (OHA)

These limited duration positions are being requested to allow program to backfill individuals that come onto the project. As part of our solutions for success, this project is bringing key subject matter experts from our field structure and from policy and business support to participate throughout the process. We want these individuals to come with their knowledge, so we will utilize the limited duration authority to allow program to fill behind key individuals while they are on the project.

1 PEME for 24 months (Perm) (DHS)
1 PEME for 24 months (Perm) (OHA)
6 OPA3 for 9 months (Perm) (DHS)
1 OPA4 for 24 months (Perm) (DHS)
1 OPA 4 for 24 months (Perm) (OHA)
2 TDS2 for 9 months (Perm) (DHS)
4 HSS4 for 24 months (Perm) (DHS)
2 PA1 for 24 months (Perm) (DHS)

There are also a PEM H and ESS2 who are work charging towards the IE project from DHS.

9 ISS8, an ISS7, FA3, PM1, PM3, PEM F, and PEM E dedicating time to this project from OIS.

There are 4 positions (2 OPA3 and 2 OPA4) from ITBSU who are on Modernization positions and working on this project. They will NOT be charging to IE, their time will be charged to ITBSU where the budget sits for their positions.

There are 9 positions from OIS who are on Modernization positions and working on this project. They will NOT be charging to IE, their time will be charged to the Shared Services Budget where their budget sits for those positions.

Additional modernization positions continue to support the original infrastructure that exists even with the implementation of Integrated ONE. OHA and DHS will continue to evaluate these positions and in subsequent releases and updates to the system, as legacy systems are sunset, these positions may be reallocated to Integrated ONE support. These positions continue to support the totality of the Modernization goal, in which Integrated ONE is the first step in setting the platform realization of that goal.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

There may be additional infrastructure costs, such as servers or costs to ETS, but these are being developed and projected into this POP.

f. What are the ongoing costs?

There are ongoing costs associated with maintenance and operations of the system, and is included in the cost projections.

g. What are the potential savings?

None.

h. Based on these answers, is there a fiscal impact?
Yes.

TOTAL FOR THIS PACKAGE (DHS+OHA)

Category	GF	OF	FF	TF	Position	FTE
Personal Services	976,299	9,893,732	4,661,661	15,531,692	60	48.04
Services & Supplies	6,489,137	18,626,010	96,473,691	121,588,838		
Special Payments	144,533	517,857	659,355	1,321,745		
Debt Service	4,349,819	0	0	4,349,819		
Total	**$11,959,788**	**$29,037,599**	**$101,794,707**	**$142,792,094**	**60**	**48.04**

DHS - Fiscal Impact Summary by Program Area:

	DHS PDS (ITBS)	DHS Debt Svc	OHA/OIS	Total
General Fund	**$7,609,969**	**$4,349,819**	**$0**	**$11,959,788**
Other Fund	**$18,275,000**	**$0**	**$10,762,599**	**$29,037,599**
Federal Funds- Ltd	**$101,794,676**	**$0**	**$0**	**$101,794,676**
Total Funds	**$127,679,676**	**$4,349,819**	**$10,762,599**	**$142,792,094**
Positions	**38**	**0**	**22**	**60**
FTE	**28.29**	**0.00**	**19.75**	**48.04**

What are the sources of funding and the funding split for each one?

(DHS – PDS-ITBS) Revenue Impact:

Description of Revenue	OF	FF	TF
Medicaid (Comp Srce 0995)	0	102,867,645	102,867,645
GF Q-Bonds(Comp Srce 0555)	18,000,000	0	18,000,000
Other (Comp Srce 0975)	626,010	0	626,010
Total	**$18,626,010**	**$102,867,645**	**$121,493,655**

(OHA -OIS) Revenue Impact:

Description of Revenue	OF	FF	TF
NON-Add OF Limitation (0975)	$10,762,599	0	$10,762,599

Department of Human Services / Oregon Health Authority
2017-19 Policy Option Package

Agency Name:	**Department of Human Services / Oregon Health Authority**
Program Area Name:	**Shared Services**
Program Name:	**Information Security and Privacy Office (ISPO)**
Policy Option Package Initiative:	**N/A**
Policy Option Package Title:	**ISPO Investments**
Policy Option Package Number:	**202**
Related Legislation:	**N/A**

Summary Statement:

DHS and OHA store, process, transmit and share protected federally regulated information (e.g. Personally Identifiable Information (PII), Protected Health Information (PHI), Federal Tax Information (FTI), Payment Card Information (PCI), Social Security Number (SSN), Criminal Justice Information (CJI), etc.) in the business of serving Oregonians. Challenges protecting this information increase monthly with a growing volume and sophistication of malicious cyber targeting and attacks. This leads to an increased need for information security awareness and education initiatives for staff and partners.

The Information Security and Privacy Office (ISPO) is a DHS/OHA shared service program responsible for the physical, personnel and technical aspects of DHS/OHA information privacy and security protection. Increased funding supports:

- Proactive awareness and education program – DHS people, while our greatest asset, are our greatest privacy and security threat/vulnerability. Increased training is a critical element to managing this risk.
- Security incident management and threat detection – Improving environment security and reducing repeat incidents through more timely investigation, root-cause analysis, and mitigation of vulnerabilities.

- Integrate ISPO early in projects and contracts – Reducing risk, increasing compliance, and ensuring vendor accountability via early integration of consistent and relevant information security and privacy standards to contracts and projects.

Not funding this request significantly increases compliance, legal, financial and reputational risks for the DHS/OHA organizations and information.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing Total:	**$731,379**	**$1,028,746**	**$208,033**	**$1,968,158**
DHS	$519,925	$2,512	$106,491	$628,928
OHA	$211,454	$1,026,234	$101,542	$1,339,230

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP invests in DHS/OHA by ensuring ISPO staff levels are sufficient in key programs and permitting critical programs to operate that have not been in place in the past. This aligns to ISPO's mission to provide comprehensive and proactive information security services.

Specifically, this POP investment provides ISPO staff for:

- Awareness & Education (A&E) – A&E helps prevent threats to DHS/OHA such as those from well-intentioned staff who cause data breaches, staff response to email phishing and ransom ware attacks targeting both DHS/OHA and individuals. This POP enables ISPO to provide periodic refresher training and other awareness and education in addition to annual compliance training. This POP allows ISPO to foster a culture of risk and security awareness throughout DHS/OHA via a formal, measurable A&E program provided online and onsite at DHS and OHA locations around the state.

- Information Security Incident Management – An information security incident management program is not only an industry best practice but also a federal compliance requirement for the many regulated data types DHS/OHA use. ISPO receives numerous incident notifications daily that staff are often unable to investigate. This presents a risk to DHS/OHA as no incident response, analysis, damage assessment, or root cause analysis occurs for them. Additional staff will allow this program to support the OIS Network Operations Center and provide liaison support to the State Enterprise Security Office Security Operations Center.

- Security Support to Programs – DHS/OHA have numerous high-profile systems supporting its programs (e.g. ONE, MMIS, AVATAR, OR-Kids, eXPRS, Public Health Lab, FSMIS, and others). These systems have complex information security compliance requirements that require proactive and subject matter expert (SME) support. Adding security support through an ISPO SME will ensure current and future compliance requirements are identified and mitigated pragmatically and will support and coordinate specific program-area A&E, vulnerability assessments, risk assessments, InfoEx and information security incident response.

- Security Support to Contracts and Projects – Currently, DHS/OHA contracts and projects are developed without dedicated or consistent information security advisory support. This places an unrealistic expectation on contracting staff and project managers to know if security language is sufficient or when language isn't included that should be. This lack of proactive information security advisory support increases organizational risk as inconsistent standards are applied to contracting and project specifications and DHS/OHA are unable to hold contractors accountable for these risks. Being proactive increases efficiency and reduces risk.

2. WHY DOES DHS PROPOSE THIS POP?

DHS/OHA is entrusted with personally identifiable information (PII) of Oregon's must vulnerable citizens along with numerous varieties of federally regulated information (e.g. PHI, FTI, SSN, CJI, PCI, etc.). Losing

access to any of these types of information will have a significant negative impact on DHS/OHA's ability to serve Oregonians and may result in legal, civil, financial, and/or reputational harm. ISPO's role is to safeguard this protected information and, as a shared service, must have the resources to accomplish that mission on behalf DHS and OHA.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

Information is the core of DHS/OHA's ability to further their mission and goals. Without access to information shared with DHS/OHA by federal partners and entrusted to DHS/OHA by Oregon's citizens, the organization will be unable to meet its mission and goals. ISPO ensures DHS/OHA understands the compliance requirements for federally and state regulated information and advises on risk-based protection of this information while providing subject matter expert advisory services to ensure DHS/OHA is compliant.

4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?

DHS/OHA will measure the success of this POP via ISPO key performance measures aligned with agency performance measures.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Do nothing – continue with current staffing levels:

- This is a continued high risk for DHS/OHA. ISPO is “one deep” in several key programs. ISPO was originally created using extensive limited duration and double-fills. While some of these have been resolved over time, recent agency direction to eliminate double fills and limited duration positions has resulted in a reduction in two positions in ISPO and a third is at risk of being eliminated.

Contract for information security support:

- This will incur a substantial cost for DHS/OHA to contract and maintain information security support of the caliber and quantity needed. Contracted resources often do not reside locally, resulting in a four-day work week. This does not support the model of continuous monitoring, response and support, required by an organization as large and diverse as DHS/OHA.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Examples of adverse effects of not funding this POP are:

- Non-compliance with federal information security standards due to an ineffective information security program. This is exemplified by the lack of an incident management program, Awareness & Education staffed one-deep, and InfoEx unable to keep pace with the growing demand.

- Non-compliance through a lack of proactivity. Not having information security integrated early in projects, contracts and providing SME support to DHS/OHA programs has resulted in security taking a back seat, thus resulting in our current risks.

- Reactive, compliance-based information security Awareness & Education program. Doing the minimum required each year for compliance misses the point of an A&E program. DHS/OHA staff will continue to make “innocent” repeated mistakes leading to data breaches that cost DHS/OHA time to investigate and resolve and could lead to civil, financial, and reputational damages; not to mention the potential loss of use of the data.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

The State Chief Information Security Officer, Enterprise Security Office (ESO), and other state agencies will be positively impacted by this POP. As a shared service for Oregon's largest agency (DHS/OHA), ISPO collaborates with ESO daily and we leverage each other's resources. Additionally, ESO will benefit from a reduction in DHS/OHA incidents allowing staff to address other issues. Finally, ISPO has collaborated with other agencies to support rotations of personnel to share best practices and offer new opportunities for professional growth.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

This POP is championed by OIS/ISPO on behalf of DHS/OHA. These agencies, representing collectively the largest volume of systems and data in the Oregon state system, are the core stakeholders and protectors of highly private data on behalf of the Oregonians they serve.

10. WHAT IS YOUR EQUITY ANALYSIS?

This POP requests to increase the number of ISPO positions by four. These positions will be filled in a manner that conforms to direction from the OHA Office of Equity and Inclusion and the DHS Office of Equity and Multicultural Services.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): July 1, 2017

End Date (if applicable): N/A

a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.

Additional responsibilities not identified at this time.

b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.

There will be addition funding requested for shared services:

- Facilities
- Lifecycle replacement
- HR support
- Telecommunications
- Mass Transit

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

No changes anticipated due to this.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.

Yes. This POP's purpose is to request new permanent positions for staff to adequately support DHS and OHA. Permanent positions are essential due to the amount of time it takes to train ISPO staff to understand organizations as large and complex as DHS/OHA. Information security staff are in high-demand making it very difficult to hire quality limited duration or temporary candidates. The table below reflects the resources requested under this POP:

Personal Services	Position Type	Classification	Duration
Awareness & Education Analyst	PA3	29	P
Sr Information Security Incident Analyst	ISS8	33	P
Sr Information Security Advisor	ISS8	33	P
Sr Project & Contracts Security Analyst	ISS8	33	P
TOTAL			**4**

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

There will be initial information security training and certification costs for new hires.

f. What are the ongoing costs?

Information security and certification costs will recur annually.

g. What are the potential savings?

- Reduced risk of legal, civil, financial and/or reputational harm due to enhanced information security and privacy compliance standards for contracts, projects, and programs. .
- Reduced risk to DHS/OHA of the loss of use of required federal partner information due to non-compliance.
- Increased ability to hold vendors accountable to security and privacy standards through early integration of ISPO in the contracting and project life-cycle.
- Reduced cost associated with fixing compliance issues late in a project's lifecycle by addressing security and privacy requirements earlier via proactive collaboration.
- Reduced risk of intentional or unintentional data breaches, phishing or ransom ware attacks through increased staff awareness regarding security and privacy. This will result in Office of Information Services staff spending less time responding to, and fixing, these issues.

h. Based on these answers, is there a fiscal impact?

Yes.

TOTAL FOR THIS PACKAGE

Category	GF	OF	FF	TF	Position	FTE
Personal Services	0	874,971	0	874,971	4	4.00
Services & Supplies	53,615	82,494	24,475	160,584		
Special Payments	677,764	71,281	183,558	932,603		
Total	**$731,379**	**$1,028,746**	**$208,033**	**$1,968,158**	**4**	**4.00**

DHS/OHA - Fiscal Impact Summary by Program Area:

	OHA Shared Services	OHA SAEC	DHS SAEC + Shared	Total
General Fund	**$0**	**$211,454**	**$519,925**	**$731,379**
Other Fund	**$932,316**	**$93,918**	**$2,512**	**$1,028,746**
Federal Funds- Ltd	**$0**	**$101,542**	**$106,491**	**$208,033**
Total Funds	**$932,316**	**$406,914**	**$628,928**	**$1,968,158**
Positions	**4**	**0**	**0**	**4**
FTE	**4.00**	**0.00**	**0.00**	**4.00**

What are the sources of funding and the funding split for each one?

For purposes of this analysis, the cost allocation and fund splits for DHS/OHA are based on the 15-17 Cost Allocation model where we have applied the aggregate DHS/OHA fund splits of GF, OF and FF. Available revenue sources are based on Grants which are entitlement grants that are matched and grants that are not federally capped and are available to program or office within DHS/OHA.

Department of Human Services/Oregon Health Authority
2017-19 Policy Option Package

Agency Name:	**Department of Human Services**
Program Area Name:	**Statewide Assessments and Enterprise-wide Costs**
Program Name:	**State Government Service Charges**
Policy Option Package Initiative:	**N/A**
Policy Option Package Title:	**SOS Performance Audits (No Fed Funds)**
Policy Option Package Number:	**203**
Related Legislation:	**N/A**

Summary Statement:

The Secretary of State does a mix of performance and compliance audits. According to the Federal Uniform Guidance, 2 CFR Part 200.425 federal funds may not be used for performance audits. The Secretary of State has indicated that 39.42% of their audits are performance based. The DHS budget for 2017-19 is currently $2,691,613 General Fund and $2,750,136 federal funds, which assumes performance audits may be paid for with federal funds. In order to comply with the Federal Uniform Guidance, 2 CFR Part 200.425, DHS would need to backfill federal funds with just over $1 million in General Fund to continue to appropriately pay for all audits anticipated by the Secretary of State.

If this POP is not funded, DHS will not be sufficiently budgeted to pay for performance audits done by the Secretary of State.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing Total:	**$2,760,700**	**($331,898)**	**($2,428,802)**	**$0**
DHS	$1,396,388	$48,917	($1,445,305)	$0
OHA	$1,364,312	($380,815)	($983,497)	$0

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP would be used to fund the anticipated performance audits performed by the Secretary of State as outlined in the 2017-19 Price List of Goods and Services for State Government assuming that 39.42% of the Secretary of State audits are performance based and cannot be paid with federal funds.

2. WHY DOES DHS PROPOSE THIS POP?

The goal of these audits is to provide information to improve public accountability and facilitate decision-making by parties with responsibility for overseeing or initiating corrective action. The issues that performance audits cover vary, but generally address whether agencies are operating economically and efficiently, or whether they are achieving desired results. In accordance with Federal Uniform Guidance, 2 CFR Part 200.425, performance audits may not be paid for with federal funds. Therefore DHS needs to backfill federal funds with General Fund to cover anticipated audit costs under the CFR.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

Audits assist DHS in identifying where DHS is not or may not be in compliance with Federal and State Law.

4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?

No.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

As these services are essential to the daily operations of the agency and are provided on a statewide level, no alternatives were considered.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

DHS would not be funded to pay for performance audits anticipated by the Secretary of State.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

N/A.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

N/A.

10. WHAT IS YOUR EQUITY ANALYSIS?

N/A.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Per the Secretary of State 39.42% of audits are performance audits not eligible for federal funding. The remaining 60.58% are compliance or other audits that are eligible for federal funds. More recent

conversations have steered the figure as high as 55%, but that is not reflected in the pricing of this POP for both agencies.

Implementation Date(s): July 1, 2017

End Date (if applicable): N/A

a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.

N/A.

b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.

N/A.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

N/A.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.

N/A.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

N/A.

f. What are the ongoing costs?

N/A.

g. What are the potential savings?
N/A.

h. Based on these answers, is there a fiscal impact?
No, other than the impact of backfilling federal funds with general funds.

TOTAL FOR THIS PACKAGE (DHS+OHA)

Category	GF	OF	FF	TF	Position	FTE
Services & Supplies	2,760,700	(331,898)	(2,428,802)	0		
Total	**$2,760,700**	**($331,898)**	**($2,428,802)**	**$0**	**0**	**0.00**

DHS - Fiscal Impact Summary by Program Area:

	DHS SAEC	OHA SAEC	
General Fund	**$1,396,388**	**$1,364,312**	**$2,760,700**
Other Fund	**$48,917**	**($380,815)**	**($331,898)**
Federal Funds- Ltd	**($1,445,305)**	**($983,497)**	**($2,428,802)**
Total Funds	**$0**	**$0**	**$0**
Positions	**0**	**0**	**0**
FTE	**0.00**	**0.00**	**0.00**

What are the sources of funding and the funding split for each one?
For purposes of this analysis, the cost allocation and fund splits for DHS/OHA are based on the 2015-17 Cost Allocation Model where we have applied the aggregate DHS/OHA fund splits of General Fund, Other Fund and Federal Fund. Available revenue sources are based on grants which are entitlement grants that are matched, and grants that are not federally capped and are available to program or office within DHS/OHA.

Department of Human Services / Oregon Health Authority
2017-19 Policy Option Package

Agency Name:	**Department of Human Services / Oregon Health Authority**
Program Area Name:	**DHS Shared Services**
Program Name:	**Office of Payment Accuracy and Recovery (OPAR)**
Policy Option Package Initiative:	**N/A**
Policy Option Package Title:	**Position Reconciliation and True-up**
Policy Option Package Number:	**204**
Related Legislation:	**N/A**
Program Funding Team:	**N/A**

Summary Statement:

This POP is important to DHS's Office of Payment Accuracy and Recovery's (OPAR) ability to work with our program and federal partners in ensuring service excellence and accountability in our Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Employment Related Day Care (ERDC), and Medical programs.

The POP would reconcile and create the positions and funding necessary to sustain OPAR's budget and operations. Once positions are created and approved, OPAR would be in a one position per person situation allowing for easier management and budgeting, as well as providing some certainty regarding OPAR's ability to sustain Service Level Agreements over the long-term.

This would require establishing 23 positions and abolishing 17 for a total net biennial cost of approximately $2.2 million (see attachments).

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing Total:	**$1,582,323**	**$1,897,499**	**$715,435**	**$4,195,257**
DHS	$1,088,460	$1,897,499	$221,572	$3,207,531
OHA	$493,863	$0	$493,863	$987,726

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP would reconcile and create the positions and funding necessary to sustain OPAR's budget and operations. Once positions are created and approved, OPAR would be in a one position per person situation allowing for easier management and budgeting.

2. WHY DOES DHS PROPOSE THIS POP?

Over a number of years OPAR had been the beneficiary of requests for additional services and has received the staff and budget to do so. However, these requests were not followed with positions and OPAR has been funding these additional permanent fulltime positions in subsequent biennia with a combination of holding unused positions vacant and Services & Supplies (S&S) savings. This approach is unsustainable and correction is needed. In order to sustain the current service level this correction would require the Personal Services (PS) funding and the positions.

Contributing to this problem was the 2013 legislatively mandated position sweep where 6 vacant OPAR positions that funded a number of other OPAR fulltime permanent staff were swept. The current DHS internal position true-up also revealed a small number of OPAR staff sitting on positions belonging to other parts of the agency. The true-up of these situations added to OPAR's unfunded fulltime permanent people problem.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

OPAR provides a valuable service to DHS and OHA generating over $200 million in cost avoidance and cash recovery during a biennium. Though a reduction in staff would not close OPAR down, with an average ROI of $8 returned for every $1 invested, reducing the agencies investment and commitment to OPAR would appear counter-intuitive.

4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?

OPAR utilizes a number of measures to ensure operations and services are delivered as expected. In this instance, we would likely be able to continue our commitment to deliver our services in 2017-19 as expected and in line with our commitment to our program customers in terms of cost avoidance, cash recovery, and other critical service delivery measures.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Reducing staff to be in line with positions currently assigned to OPAR would require a significant reduction in personnel. This approach would not be our first choice as our program customers want our services, have committed to and invested in our services over the years, and would likely further invest if the opportunity and resources were available to do so.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

As staffing was reduced a reduction in cost avoidance, cash recovery, and timeliness of other critical client-related services would be unavoidable. We would also see an increase in backlogged work and the risk of non-compliance with the federal requirements our work is tied to.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Our programs – We recover and cost avoid for ERDC, TANF, SNAP, and medical. We also investigate and provide data verification, and client record correction services. This POP provides the opportunity to sustain operations and attain our service level commitments in these areas.

Program clients – We handle requests from field and service providers for emergent record correction within MMIS and ONE which enables clients to get the services they need. This POP provides the opportunity to sustain operations and attain our service level commitments in these areas.

Federal Partners – Our units are often involved in program elements that directly relate to federally required activities. This POP provides the opportunity to sustain operations and attain our service level commitments in these areas.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

None.

10. WHAT IS YOUR EQUITY ANALYSIS?

No identified equity issues.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

OPAR would be in a one position per person situation allowing for easier management and budgeting.

Implementation Date(s): July 1, 2017
End Date (if applicable): N/A

a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.

N/A.

b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.

None.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

None.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.

The POP directly addresses position management issues. See attachments for details.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

None.

f. What are the ongoing costs?
Typical of a fulltime, permanent, 24-month position.

g. What are the potential savings?
None

h. Based on these answers, is there a fiscal impact?
Yes

TOTAL FOR THIS PACKAGE

Category	GF	OF	FF	TF	Position	FTE
Personal Services	0	1, 736,279	0	1, 736,279	6	11.82
Services & Supplies	304,854	161,220	61,075	527,149		
Special Payments	1,227,469	0	654,360	1,931,829		
Total	**$1,582,323**	**$1,897,499**	**$715,435**	**$4,195,257**	**6**	**11.82**

DHS/OHA - Fiscal Impact Summary by Program Area:

	DHS Shared Services	DHS SAEC	OHA SAEC	Total
General Fund	**$0**	**$1,088,460**	**$493,863**	**$1,582,323**
Other Fund	**$1,897,499**	**$0**	**$0**	**$1,897,499**
Federal Funds- Ltd	**$0**	**$221,572**	**$493,863**	**$715,435**
Total Funds	**$1,897,499**	**$1,310,032**	**$987,726**	**$4,195,257**
Positions	**6**	**0**	**0**	**6**
FTE	**11.82**	**0.00**	**0.00**	**11.82**

What are the sources of funding and the funding split for each one?

For purposes of this analysis, the cost allocation and fund splits for DHS/OHA are based on the 2015-17 Cost Allocation Model where we have applied the aggregate DHS/OHA fund splits of General Fund, Other Fund and federal fund. Available revenue sources are based on grants which are entitlement grants that are matched, and grants that are not federally capped and are available to programs or offices within DHS/OHA.

Department of Human Services / Oregon Health Authority
2017-19 Policy Option Package

Agency Name:	**Department of Human Services / Oregon Health Authority**
Program Area Name:	**Shared Services Human Resources Center**
Program Name:	**Background Check Unit (BCU)**
Policy Option Package Initiative:	**N/A**
Policy Option Package Title:	**Background Check Unit Workload**
Policy Option Package Number:	**205**
Related Legislation:	**N/A**

Summary Statement:

Steadily increasing numbers of background checks per year and growing complexity of work combined with stagnant or decreased staffing for the Background Check Unit (BCU) over the last few biennia have resulted in mounting backlogs and processing timelines. BCU completes checks for a variety of groups including home care workers, personal support workers, subsidized child care providers, child caring agencies, System of Care and SPRF providers, and staff and volunteers from residential care, nursing, and adult foster home facilities.

The staff requested in this Policy Option Package (POP) would meet currently required needs to maintain timely background checks for all regulated groups handled by BCU, and meet all Supplies & Services needs and a majority of projected staffing needs due to program growth and new federal and state statutes to be implemented during the 2017-2019 biennium.

The result would be faster background checks to assist regulated Oregon employers in meeting their required staffing levels while maintaining health, safety and financial wellness for vulnerable Oregonians through quality background checks.

In addition, DHS has identified a variety of expansion options to current background check criteria for DHS and OHA providers whose fitness determination is completed by the Background Check Unit (BCU).

These options would provide more intensive background checks by improving communication about adverse actions on providers across unit and program lines, and increasing use of child protective service information across the DHS provider community. The result would be increased health, safety and financial wellness for vulnerable Oregonians.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing Total:	**$7,499,640**	**$8,587,227**	**$1,535,658**	**$17,622,525**
DHS	$7,277,708	$8,549,669	$1,453,714	**$17,281,091**
OHA	$221,932	$37,558	$81,944	**$341,434**

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

WORKLOAD-RELATED INCREASES

Steadily increasing numbers of background checks per year and growing complexity of work combined with stagnant or decreased staffing for the Background Check Unit (BCU) over the last few biennia have resulted in mounting backlogs and processing timelines for background checks.

Examples of how task complexity will have shifted from 2012-2017 are:

2012

- For almost all 2012 checks BCU only acquired Oregon criminal history records and sent those records to Qualified Entities (QEs) for fitness determination. By the end of 2012, to improve consistency of determinations and broaden depth of checks, BCU centralized fitness determination with BCU.

2013-2014

- In addition to running criminal history, BCU began evaluating that history, court and police records, abuse records, counseling and treatment records, weighed safety and risk factors, and documented and sent fitness determination to QEs.

2015-2016

- Centers for Medicare and Medicaid Services (CMS) required mandatory fingerprinting of all “high risk” roles.
- Increasing requirements for FBI checks from new legislative programs. FBI and other national checks using out-of-state history are more difficult.
- New review criteria for specific Adam Walsh programs.
- CMS requirements necessitated a January 2016 rule change for many DD providers that previously did not require recertification. In 2015, 23,819 or 77.8% of DD providers did not require recertification but will now be on a two-year cycle.

- Changes in how FBI information was provided via LEDS requires due diligence fingerprinting in cases where an out-of-state identifier code is present. Expected to increase fingerprinting and related workload by 15% or more.

2017

- As of October 2017 new Child Care Development Fund Block Grant (CCDFBG) requirements will add mandatory FBI and ***national*** child protective service (CPS) checks of ***all*** child care providers and household members (12,000+ individuals). Currently:
  - Only 5.7% of child care cases currently require FBI checks.
  - Only Oregon CPS checks are now required.

The staff requested in this policy option package would meet currently required needs to maintain timely background checks for all regulated groups handled by BCU, and meet projected needs due to program growth and new federal and state statutes implementing during the 2017-19 biennium.

Regulated groups for whom BCU completes background checks include but are not limited to home care workers, developmental disability and mental health personal support workers, subsidized child care providers, Child Caring agencies, Traditional Health Workers, System of Care (SOC) and Strengthening, Preserving and Reunifying Families (SPRF) providers, and staff and volunteers from residential care, nursing, and adult foster home facilities. BCU also handles background checks for employees, volunteers and contractors of the Department of Human Services and Oregon Health Authority.

The result of increased staffing would be faster background checks to assist regulated Oregon employers in meeting their required staffing levels while maintaining health, safety and financial wellness for vulnerable Oregonians through quality background checks.

Implementation would require the following staff:

- +15 POS/14.40 FTE permanent Administrative Specialist 1 (Fitness Determiner) positions

These positions are to handle 2017 and 2018 growth in complexity and volume, including work from new federal CCDBG out-of-state child protective service checks and other exclusion list checks effective 10/2017, and changes from the Centers of Medicare and Medicaid Services (CMS).

Please note that these positions are insufficient to match workload increases through 2019. Consequently DHS anticipates some backlog at the end of the biennium due to projected increases in complexity and numbers over the biennium.

- +1.0 POS/0.88 FTE permanent Principle Executive/Manager C (BCU Supervisor) positions

  The PEM-C position would be added for the 2017-19 since staff additions would bring the total BCU classified staff to 58 (a 1:19 staffing proportion; without the position, the staffing ratio would be 1:29).

  Managers provide crucial clinical supervision of fitness determination, hearings and policy staff, and improve consistency, manage audit and review processes, and maintain quality customer service in background check processes supporting client safety, security and health.

Current 2015-17 costs in Services & Supplies are expected to increase to a total $8,842,569 for the 2017-19 biennium. These additional costs are itemized as:

- +$5,335,316 from Oregon State Police and FBI fingerprint processing fees
- +$37,739 total for Adam Walsh and Child Care out-of-state CPS check costs.
- +$12,000 total for background check research site costs.
- +$307,514 total for agency-paid fingerprint capture for DHS and OHA employees and volunteers, Criminal Justice Information Services (CJIS) clearance, and Child Welfare foster and adoptive parents.

- +$50,000 for annual maintenance on the Criminal Records Information Management System (CRIMS).

These Services & Supplies costs are expected to increase due to the following factors:

- Increased statutory requirements for fingerprinting.

  For example, the federal Child Care Development Block Grant Act of 2014 (CCDBG) requires mandatory fingerprinting for all child care providers by October 2017. This alone will require fingerprinting on approximately 11,000 more background checks for DHS child care providers per year.

- Steadily increasing numbers of background checks. Fingerprinting averages 40% in non-mandatory programs and 100% fingerprinting when mandatory.

  In 2012, BCU completed 111,538 background checks across all DHS and OHA programs served. By 2015 that number had grown to 157,038, a 41% increase. These numbers are anticipated to increase +80% by the end of the 2017-19 biennium, resulting in approximately 207,654 checks requiring fingerprinting.

- To comply with FBI requirements, a reduced amount of FBI information is being presented in Oregon's Law Enforcement Data System (LEDS) checks, requiring increased fingerprinting for due diligence on potential out-of-state history.

- New CCDBG requirements for out-of-state child protective service checks on child care providers. Many states charge fees for these checks; the average is $17 per check.

Remaining S&S costs would be consistent with trends from the 2015-2017 biennium.

BACKGROUND CHECK EXPANSION

DHS has identified a variety of expansion options to current background check criteria for DHS providers whose fitness determination is completed by the Background Check Unit (BCU). These include home care workers, personal support workers, subsidized child care providers, private licensed agencies, System of Care and SPRF providers, and staff and volunteers from residential care, nursing, and adult foster home facilities.

Each of these expansions will necessitate the following to implement:

- Permanent rules changes to allow use of the selected expansions as potentially disqualifying conditions.
- Additional permanent staffing to handle the increased workload per expansion option.
- Training on selected expansions for veteran background check staff and new staff.

The selected expansions are as follows, in order of DHS-recommended priority for implementation:

1. Establish a comprehensive process for sharing adverse actions and terminations taken by one unit with another (i.e. Provider Relations Unit, Office of Licensing and Regulatory Oversight, Direct Payment Unit and Background Check Unit).

   This communication would allow separate units to review other units' adverse actions and terminations for fraud, health or safety concerns and apply that information to their provider enrolment processes where statute or rule allows.

   Implementation would require one (1.0 POS/0.88 FTE) Administrative Specialist 1 to coordinate the information sharing at a total cost of $146,319 per biennium.

2. Provide Child Protective Service (CPS) checks on all Aging and People with Disabilities (APD), Intellectual/Developmental Disability (I/DD), and mental health (OHA Health Systems) providers, regardless of whether they directly serve children.

   BCU currently does CPS checks on all DHS and OHA employees and volunteers, all child care providers and their household members, Child Welfare provider (SOC, SPRF, etc.) determinations, Adam Walsh determinations, and various other positions serving children through other programs. Child Welfare (CW) foster and adoptive parents have CPS checks completed by branches as part of CW evaluation process. Most APD, DD and mental health (OHA Health Systems) providers do not currently receive CPS checks.

   Implementation would require four (4.0 POS/3.52 FTE) Administrative Specialist 1 positions to perform CPS research and fitness determination at a total cost of $585,276 per biennium. It would also require one (1.0 POS/0.88 FTE) Compliance Specialist 2 position to handle increases in hearing requests based on increases in abuse-related denials at a total cost of $180,912 per biennium. Permanent rules changes are being made in November 2016 to allow information from this option to be considered as potentially disqualifying conditions.

   Please note that projected numbers of these checks would require an additional +2.87 FTE Administrative Specialist 1 to maintain staffing-to-workload by 2019. Consequently at the requested staffing level there is anticipated to be some backlog from this expansion by the end of the biennium.

Another recommendation would be the use of the placement on the Centers for Medicare and Medicaid Services (CMS) Office of the Inspector General (OIG) Fraud List for Medicaid and Medicare, and other states' exclusion lists as potentially disqualifying conditions for all long term care-related subject individuals handled by the Background Check Unit. The CMS OIG and other states' exclusion lists may hold currently unconsidered information that reveal past history of abuse or fraud. The addition of these exclusion list

checks to long term care background checks is a requirement of the CMS National Background Check Program (NBCP) grant for which DHS was approved by the Oregon Legislature in 2013.

However implementation of the CMS exclusion lists across required programs would require additional staffing beyond this request, and based on the current level of funding**,** further expansion into CMS grant requirements would be impossible without incurring considerable backlogs.

FEE-FOR-SERVICE

Currently the Background Check Unit does not charge background check fees to subject individuals or Qualified Entities; the costs for regulatory checks are currently paid by the DHS and OHA programs BCU serves. The Background Check Unit has authority to charge fees but is not currently doing so. Fee-for-service is a potential manner of acquiring additional funds.

Each fingerprinted background check requires $28 in processing fees to the Oregon State Police. In addition, the FBI charges $13.50 for volunteers or $14.75 for employment/licensing/certification in processing fees per check.

If only fingerprint processing fees are charged to subject individuals or Qualified Entities when fingerprints are required for a check, at approximately 207,654 subject individuals fingerprinted during the course of 2017-19, BCU could gain back $8,877,209 in funds to offset Services and Supplies costs.

Other options, including a set background check fee to cover all costs, are possible. BCU could work with DHS Budget to establish an appropriate fee-for-service schedule if the Legislature determined fee-for-service was the most appropriate funding mechanism for the Background Check Unit.

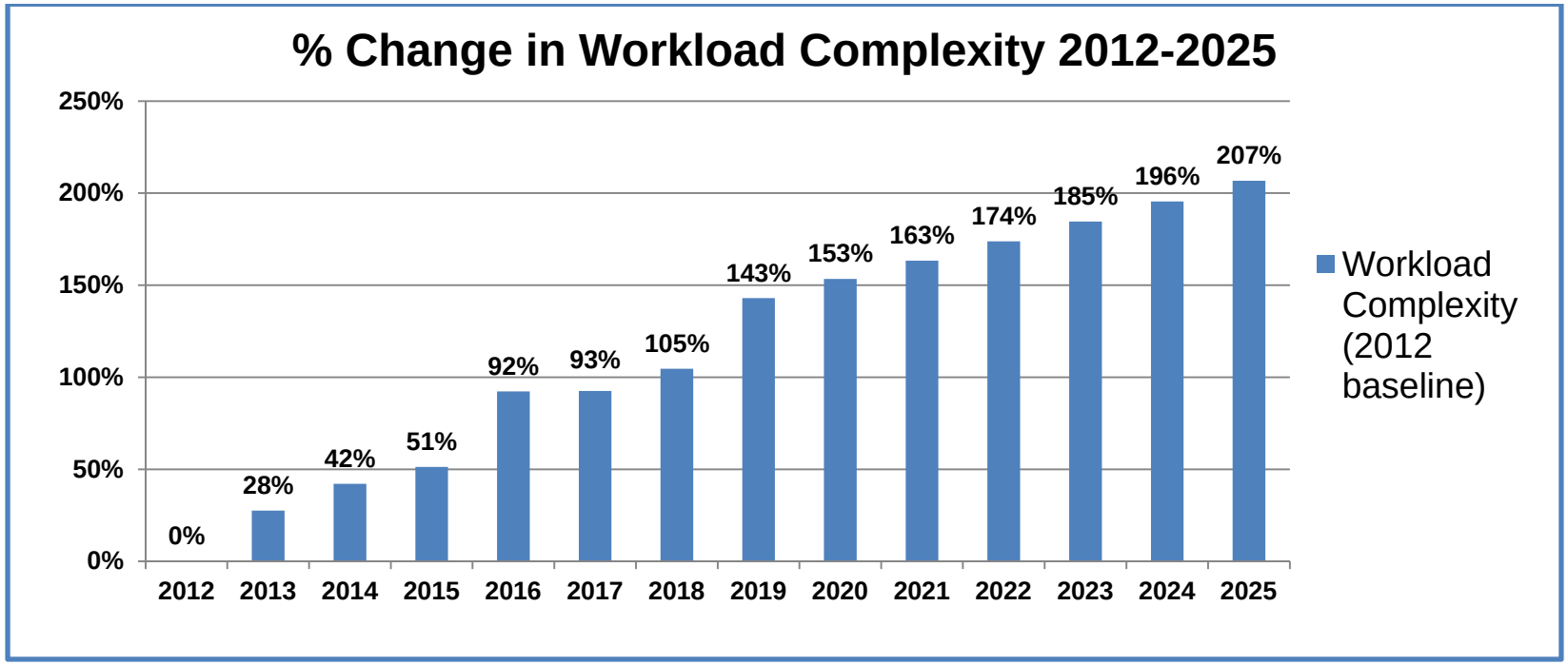
2. WHY DOES DHS PROPOSE THIS POP?

From 2012-2015, BCU has experienced a 41% increase in the total number of background checks. Workload complexity, as measured by the average time required to perform various tasks resulting in a fitness determination and annual background checks per year, has increased in the same period 51% due to new federal and state requirements. During that time BCU underwent a 15% decrease in total permanent staffing. As of 2016, complexity will have increased 92% over 2012.

Numerous process improvements have been attempted without success in stemming growing backlog. As of March 2016 DHS has partially met this workload gap by hiring an additional fifteen (15) limited duration AS1 positions and one (1) PEM-C position for the 2015-17 biennium. However these positions meet only the workload needs of BCU through the 2015-17 biennium.

Due to ongoing program growth and federal statutory changes implementing in the 2017-2019 biennium, BCU workload complexity is expected to increase 143% over 2012 numbers by 2019. Without sufficient permanent staffing increases for 2017-19, delays in processing background checks will begin increasing again.

The following chart relates increasing complexity from 2012 through 2025 based on current background check growth and known federal and state program changes occurring during the 2017-19 biennium. This chart does not include complexity per background check added by the expansion options. It does include the effects of process improvements such as the Long Term Care Registry.



In terms of the expansion portion, each option increases the depth of the background check provided for each subject individual, thereby increasing the likelihood of identifying past history that might affect the health and safety of vulnerable Oregonians. In addition, as noted, the CMS exclusion lists are a requirement of the CMS National Background Check Program grant.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

Comprehensive background checks promote the following:

- Safety and independence of those aging, disabled and intellectually/developmentally disabled Oregonians receiving services from DHS and OHA.

- Safety and wellness for children and youth served by DHS and OHA providers.
- Qualified staff and volunteers successfully passing background checks are able to support themselves and their families as providers through stable living wage employment.

Timely background checks due to matching workload versus staffing means that:

- Vulnerable Oregonians receiving care services from DHS and OHA acquire safe care and support more quickly, improving quality of life for especially those Oregonians requiring emergent in-home services.
- Employers of facilities are able to maintain staffing levels and provide better care to vulnerable Oregonians receiving care and support in facilities.
- Employers in residential care, nursing, adult foster home, skilled nursing, and child care facilities and centers are able to attract and keep top recruits due to faster hiring processes. In addition, they are able to meet licensing requirements for staffing more easily.
- Many licensing and certification processes are affected, thereby extending their timelines. Such processes include but not limited to licensing of facilities for APD, DD and mental health, and certification of home care workers and personal support workers, Traditional Health Workers, and exempt and subsidized Child Care centers and providers.
- Oregonians who may be seeking employment, licensure or certification for their own or their family's independence and quality of life are able to acquire jobs faster.

4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?

Quality Service Engagement – increased speed of quality of background checks performed on providers in support of effective, safe employment, certification and licensing processes for vulnerable Oregonians and Oregon employers.

Safety – Re-abuse rates reduced through more timely identification of provider history.

People Living as Independently as Possible – Faster quality checks on in-home providers leading to safer care, more independence, and better support of Oregonians receiving in-home services. Enhanced checks on in-home and other long term care providers leading to safer care and better support of Oregonians receiving in-home services.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

N/A.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

A variety of internal solutions to meet service delivery agreements have been attempted by BCU to match increases in raw numbers and workload complexity.

- Ongoing work with IT vendor Tailored Solutions and the Oregon State Police (OSP) to achieve numerous process improvements via technology solutions. While useful in automating many time-consuming manual tasks it did not eliminate time spent on core fitness determination work.
- Day-long background check 'events' where all teams in the unit contribute to processing background checks. Assisted fitness determination work, but caused backlogs in Hearings, Compliance and Fingerprint teams' processes.
- Consistent monthly overtime work from October 2014 to August 2016. During that period BCU staff worked 1407.5 overtime hours and processed 25,227 background checks.

  To maximize the quantity processed, BCU staff working overtime focused on "cleans", background checks that had no criminal or abuse history. Cleans are the quickest and easiest checks to complete. Useful in eliminating cleans, but did not address the core fitness determination work of the majority of cases requiring careful research and evaluation of criminal and abuse history.

- Implemented the Long Term Care Registry (LTCR) in January 2015.

  To become active on the LTCR, a provider of long term care must pass an LTCR-related background check. Active status avoids redundant background checks between employers as subject individuals change roles within or between LTCR-covered facilities throughout Oregon.

  Since implementation, 73,961 providers of long term care have achieved active status. As of July 2016, employers have been able to bypass 22,662 redundant background checks.

  In addition to savings of time for employers and clients in need of services, the LTCR has saved BCU approximately $1,046,531 as of July 2016 in labor and fingerprint processing costs for duplicative background checks.

  The LTCR is expected to create a 17% reduction on long term care-related checks. However, per DAS population statistics, the long term care population in Oregon will have exceeded 18% growth between 2014 and 2018, eliminating that gain by 2019.

Despite these efficiencies, background check numbers and complexity have continued to increase beyond what staffing and process improvements could complete, leading to growing backlogs.

The final alternative is to not expand background check staffing despite backlogs. This alternative has been rejected for the following reasons:

1. Potential health and safety factors from vulnerable Oregonians not receiving support from vetted, safe providers sooner.
2. Providers already on the job with new, unreported history not being caught earlier due to delayed recertification background checks.
3. Employers being unable to meet license-related staffing requirements established to maintain client safety and wellbeing.
4. Employers having staffing delays or losing quality candidates due to delays in background check processing.

5. Potentiality of increased tort claims due to compromised health and safety, and financial abuse

For the background check expansion options, the alternative is to not expand background check criteria. This alternative was rejected for potential health and safety factors to those receiving DHS and OHA providers.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Adverse effects of not funding the workload-related section of this POP are as follow:

1. Without timely background checks, vulnerable Oregonians requiring emergent in-home care or facility-provided care may not have providers hired or facilities staffed sufficiently nor quickly for their health and safety needs.
2. Without timely review of background checks for currently working providers, providers with new, unreported history may not be removed from work for extended periods of time. Such an extension of review periods may lead to ongoing or repeated abuse and neglect of vulnerable clients, and causing harm or sometimes death.
3. Employers requiring certain staffing levels for licensing purposes may encounter licensing problems which affect the health, safety and wellness of the vulnerable clients they serve, and the financial security of the employees and their families who depend on the viability of the facility or center being licensed.
4. Employers serving DHS and OHA clients may lose highly competitive candidates to other facilities or centers that are not regulated by the Background Check Unit (i.e., facilities not serving Medicare and Medicaid-dependent clients) due to delays in background check processing.
5. Potentially escalating tort claims due to compromised health and safety, and financial abuse.

Adverse effects of not funding the background check expansion sections of this POP are as follow, by recommended expansion option:

1. Without sharing adverse actions and terminations between DHS units, providers terminated for health, safety or fraud concerns in one provider unit may successfully transfer to another provider unit

without communication of the circumstances of the initial adverse action. This may in turn affect the health, safety or financial wellness of vulnerable Oregonians.

2. While BCU utilizes APS information when completing fitness determinations for all APD, DD, and addictions and mental health providers, some providers from those groups have not historically received CPS checks per agreements with Oregon community stakeholders initiated by the HB2175 (2007) Workgroup.

   This gap affects over 100,000 background checks per year performed by BCU, each check representing a subject individual serving at least one if not multiple vulnerable Oregonians. Not funding this option will continue this gap for increasing numbers of long term care providers.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Other agencies may be affected as necessary to create intergovernmental agreements in support of information sharing on adverse actions.

Currently providers certified by the Office of Child Care (Department of Education) are able under rule, interagency agreement and state plan can bypass our background check process. There have been ongoing concerns with this process. The Office of Child Care also automatically approved providers under age 18 while DHS will background check providers age 16 and older. Office of Child Care providers also do not have the requirement to report new abuse substantiations or criminal history.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

Adults and People with Disabilities Program
Background Check Unit
Child Care Unit

Child Welfare Program
Intellectual/Developmental Disabilities Program
Human Resources
Office of Adult Abuse Protection and Investigation
Office of Licensing and Regulatory Oversight

10. WHAT IS YOUR EQUITY ANALYSIS?

Timely background checks provide greater equity of:

1. Care and service to vulnerable Oregonians;
2. Hiring for Oregon employers;
3. Employment, licensure or certification for Oregonians employed or seeking employment in BCU-regulated programs.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): 12 staff July 1, 2017 & 10 staff October 1, 2017
End Date (if applicable): Permanent

a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.

☒ Background Check Unit
☒ APD/DD Provider Relations Unit
☒ Office of Licensing and Regulatory Oversight
☒ Child Care Unit/Direct Pay Unit
☒ APD/DD
☒ Child Welfare
☒ Office of Adult Abuse Prevention and Investigation

The majority of new responsibilities will lie with the Background Check Unit.

For the cross-communication portion of the POP, APD/DD Provider Relations Unit, OLRO, CCU, DPU, APD/DD, OAAPI and Child Welfare may all have new cross-reporting duties.

b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.
Background Check Unit will receive the majority of impacts. Currently BCU's facilities are at maximum occupancy. New facilities and work stations will be required for current and additional staff. Training will be required for veteran and new staff on administrating the new background check options. Updates to the Criminal Records Information Management System may be necessary to implement all additions.

Additional positions for Background Check Unit will increase impact for Records, FMLA/OFLA, Human Resource Analyst and Payroll units.

There will also be workload for Facilities and the Office of Information Services.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

No changes to client caseloads or direct client services.

However DHS, OHA, Allied Agencies on Aging, DD Brokerage, and other direct service staff assisting clients to find qualified, safe providers or assisting providers with enrollment processes will be beneficially affected by faster turnaround on background checks. Enrollment processes dependent on background checks will be completed more quickly leading to faster connections of clients with needed service providers.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.

The staff required for permanent positions (24 months per biennium) are as follow:

- Workload-Related: 5.0 FTE permanent Administrative Specialist 1 (Fitness Determiner) and 1.0 FTE permanent Principle Executive/Manager C (BCU Supervisor) positions
- Communication Option: 1.0 FTE permanent Administrative Specialist 1
- CPS Expansion Option: 4.0 FTE permanent Administrative Specialist 1 (Fitness Determiner) and 1.0 FTE Compliance Specialist 2 (Hearings Representative) positions

The staff required for permanent positions (21 months per biennium) are as follow:

- Workload-Related: 10.0 FTE permanent Administrative Specialist 1 (Fitness Determiner) positions

Additional positions for Background Check Unit will increase impact for Records, FMLA/OFLA, Human Resource Analyst and Payroll units. There will also be workload for Facilities and the Office of Information Services.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

Training would be required for all new staff.

Automatic URL access of OIG, SAM, and out-of-state exclusion lists by state(s) required for CMS grant-related checks will require one-time IT costs.

f. What are the ongoing costs?

Current 2015-17 costs in Services & Supplies are expected to increase to a total $8,842,569 for the 2017-19 biennium. These costs are expected to increase due to the following factors:

- +$5,335,316 from Oregon State Police and FBI fingerprint processing fees
- +$37,739 total for Adam Walsh and Child Care out-of-state CPS check costs.
- +$12,000 total for background check research site costs.
- +$307,514 total for agency-paid fingerprint capture for DHS and OHA employees and volunteers, Criminal Justice Information Services (CJIS) clearance, and Child Welfare foster and adoptive parents.
- +$50,000 for annual maintenance on the Criminal Records Information Management System (CRIMS).

Remaining S&S costs would be consistent with trends from the 2015-2017 biennium.

g. What are the potential savings?

Potential savings from timely, quality background checks are based on reductions in risks to health and safety for vulnerable Oregonians served by DHS and OHA. There are savings for clients who receive more timely care, thereby preventing additional medical or support costs that might be

incurred. By increasing health, safety and wellness, money will also be saved through prevention of investigations, hearings, and potential tort claims.

Employers will receive savings due to more timely hiring processes, fewer qualified staff lost due to waits on background checks, and potential fines or other licensing problems for not retaining statutorily-mandated staffing levels.

Approved subject individuals seeking work will be employed more quickly, which may preclude those who are currently unemployed from continuing to receive unemployment benefits or other State-provided support services.

h. Based on these answers, is there a fiscal impact?

Yes.

TOTAL FOR THIS PACKAGE (DHS+OHA)

Category	GF	OF	FF	TF	Position	FTE
Personal Services	0	2,536,082	0	2,536,082	22	20.68
Services & Supplies	437,512	6,013,587	85,675	6,536,774		
Special Payments	7,062,128	37,558	1,449,983	8,549,669		
Total	**$7,499,640**	**$8,587,227**	**$1,535,658**	**$17,622,525**	**22**	**20.68**

DHS/OHA - Fiscal Impact Summary by Program Area:

	DHS Shared Services	DHS SAEC	OHA SAEC	Total
General Fund	**$0**	**$7,277,708**	**$221,932**	**$7,499,640**
Other Fund	**$8,549,669**	**$0**	**$37,558**	**$8,587,227**
Federal Funds- Ltd	**$0**	**$1,453,714**	**$81,944**	**$1,535,658**
Total Funds	**$8,549,669**	**$8,731,422**	**$341,434**	**$17,622,525**
Positions	**22**	**0**	**0**	**22**
FTE	**20.68**	**0.00**	**0.00**	**20.68**

What are the sources of funding and the funding split for each one?

For purposes of this analysis, the cost allocation and fund splits for DHS/OHA are based on the 15-17 Cost Allocation model where we have applied the aggregate DHS/OHA fund splits of GF, OF and FF. Available revenue sources are based on Grants which are entitlement grants that are matched and grants that are not federally capped and are available to program or office within DHS/OHA.

Department of Human Services / Oregon Health Authority
2017-19 Policy Option Package

Agency Name: Department of Human Services / Oregon Health Authority
Program Area Name: Human Resource Center
Program Name: FMLA/OFLA
Policy Option Package Initiative: N/A
Policy Option Package Title: FMLA/OFLA
Policy Option Package Number: 206
Related Legislation: N/A

Summary Statement:

The purpose of Federal Family Medical Leave Act (FMLA) and the Oregon Family Leave Act (OFLA) is to balance work and family life. They also to promote economic security of families and serve national interest in preserving family integrity. Ultimately, both protect an eligible employee while they are off work for a qualifying family or medical leave event. This ties directly into both DHS and OHA missions.

By responding to employees promptly we could help them focus on their family and medical leave needs, and have a timely turnaround on requests resulting in money saved for both agencies when we retroactively apply FMLA/OFLA leave.

In the last quarter of 2015, the FMLA/OFLA requests for DHS were coming mostly from Self Sufficiency (27.6 percent), Child Welfare (23 percent), Disability Determinations (21.1 percent), and Aging and People with Disabilities, (15.7 percent). For OHA, 68.1 percent of requests are coming from Oregon State Hospital employees. All of these programs directly serve our most vulnerable clients throughout Oregon. When our employees are unable to work at their full potential because they are not off work seeking treatment for their

conditions, bonding with their new babies, or grieving the loss of a loved one, we are putting the safety of our clients at risk. We need to support our staff while they receive treatment or take family leave, in turn keeping them engaged by supporting them in their time of need.

We often receive requests for family and medical leave when our employees are experiencing life-altering events. Although most people focus on the potential for abuse, the majority of employees need leave for very devastating events in their lives.

It is our responsibility to show our employees respect, compassion and the utmost customer service in their time of need. We need to provide them with the level of dedication and professionalism that they provide to their clients. Failure to do this may have detrimental effects to our workforce, and the safety of their clients.

By having the additional FMLA/OFLA staff, we would be able to provide our employees with the level of service they need to be off work, and information they need to return to work as quickly as possible. Having sufficient staff would ensure we can respond to return to work requests and we could share restrictions for returning to work in a timely manner allowing employees to return to work as soon as their provider has released them.

Additional staff ultimately will help our employees take their family and medical leave when needed, then return to their work fully engaged, healthier and with improved morale which studies have shown reduces stress and promotes safety in the workplace.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing Total:	**$224,067**	**$259,446**	**$55,525**	**$539,038**
DHS	$159,767	$248,564	$31,784	$440,115
OHA	$64,300	$10,882	$23,741	$98,923

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

- Currently the DHS Shared Services Human Resources FMLA/OFLA Unit has four Full-Time Equivalents (FTE), and two job rotations that serve approximately 12,034 employees. This POP would take the Unit from four to six FTE.
- By obtaining two additional FTE for the FMLA/OFLA Unit, we would align with other large state agencies in the amount of staff per employee ratio. Bringing our employee to coordinator ratio from 3008:1 to 1504:1 would make our caseloads manageable and allow us to meet the federal and state requirement of responding to employees within five days. On average 10% of our workforce is on FMLA/OFLA at any given time.
- By increasing our permanent staff we will decrease our staff/coordinator ratio, which will allow us to provide better and prompt customer service to our employees during some of the most difficult time of their lives. Ultimately, allowing them to focus on getting healthy and back to their work to the clients they serve quicker.
- We reached out to other state agencies with 1,000 or more employees to see what their FMLA/OFLA FTE per employee count is. We received information from the following agencies:
    - The Department of Corrections currently has 4,434 employees; two and a half FMLA/OFLA coordinators; two FTE, and one job-share, with someone else doing their filing. Their caseload is approximately 1,773 employees each.
    - The Oregon Department of Transportation currently has 4,416 employees, and three FTE FMLA/OFLA Coordinators. Their caseload is approximately 1,472 employees each.
    - The Department of Employment has 1,052 employees and one FTE.
    - The Department of Fish and Wildlife has 1,012 employees and one employee working about 35 percent of their time on FMLA/OFLA but they have their Human Resource Generalists process complicated issues.

This package will ensure that DHS and OHA can provide timely and accurate responses to employees requesting family and medical leave within the five days required by federal and state law. Over the last quarter we were out of compliance 59 percent on the time for the federal and state requirement of responding

within five days of knowledge of a potential FMLA/OFLA event. As a result of this we are impacting many sections of our agencies. If we are not timely in our response it costs the agencies money. Not only in increasing staff workload, but in over and under payments of pay and benefits associated with our decisions. Some of which can be recouped but not all. If we do not make a quick decision on our requests, the employees and managers must submit paper time sheet corrections, payroll must process these corrections in addition to any of the over and under payments.

- It would allow us to follow up with employees who were out for their own conditions to obtain medical releases and work restrictions, reducing the risk and increasing the safety at both OHA and DHS. This would reduce the current risk associated with employees coming back to work before they are cleared by a treating physician, and knowing of potential work restrictions prior to their return so management can work quickly to make work accommodations to get the employees back to work quicker.
- It would allow us to follow up with employees when applying for medical leave, especially when medical documentation comes in incomplete or unclear. This would allow time to obtain further information to accurately approve their family and medical leave in accordance to the treating physician's expectation of their needed leave. We expect in doing this we would approve leave that more accurately reflects the medical provider's intent, allowing employees the appropriate time to recover/treat their medical conditions and reducing abuse of protected leave.
- It would allow us to keep apprised of ever-changing laws, policies and collective bargaining agreements that dictate how the leave laws will be administered. In addition to new interpretations of all.
- OFLA and FMLA are constantly changing and adding more things that they cover. More disparity between both the federal and state leave laws increases the complexity and use of covered leave events. There have been recent changes that significantly impacted the work that we do, especially regarding the Affordable Care Act. Now that employer portion of insurance benefits can be covered for up to 12 months, employees are taking a longer leave periods to attend to their family and medical needs.
- We would be able to audit and monitor usage to reduce abuse, and recertify employees leave approvals to reflect their actual usage if they are missing time outside of their approved amount.

- We would be able to dedicate more time to educate managers on how to manage employee's family and medical leaves. We would be able to provide management with reports and tools to help manage employees on leave.
- We would be back in compliance with our service level of agreement.
- If we are not timely in our responses, it costs the agencies money. Not only in staff extra workload, but in overpayment and underpayment of pay and benefits associated with our decisions. Some of which can be recouped but not all. If we do not make a quick decision on our claims the employees and managers must submit paper time sheet corrections, payroll must process these corrections in addition to any over and under payments of pay and benefits.

2. WHY DOES THE DEPARTMENT OF HUMAN SERVICES PROPOSE THIS POP?

- Between 2013 and 2015 DHS and OHA increased its employee count by 25 percent. In that same period of time the FMLA/OFLA Unit had an increase of family and medical leave requests by 52 percent.
- Since 2011 the FMLA/OFLA Unit has participated in a rapid process improvement, and attends continuous improvement meetings bi-weekly where we develop tools, and share practices and information in our unit. Although we have and continue to look for more efficient ways to process family and medical leave we continue to get further and further behind.
- We have an aging workforce.
    - The average employee age within DHS/OHA is 45 years old. At that age, employees have potentially five generations of qualifying family members to care for under FMLA/OFLA (grandparent, parent, self, child and grandchild). They also have a higher likelihood that they will require medical leave for chronic conditions.
- There are several laws, rules, policies, and collective bargaining agreements that dictate how we apply family and medical leave. These are always changing.
    - In this last bargaining period there were changes that impacted the work that we do. We now can process hardship leave donations for employees on parental leave. This has increased the duration new parents are electing to stay off work.

- Employees are now able to save more paid leave accruals while on family and medical leave. This impacts the work that we do because we must identify their beginning leave balances and share that information with the employee, manager and payroll. By not processing our requests for family and medical leave timely, this is having an impact on us staying complaint with the collective bargaining agreements. Because staff and managers are not notified that employees have elected to save time until much after they started their leaves. With our payroll system restrictions this may ultimately result in employees having to use paid leave accruals that they are contractually allowed to save. Which could result in grievances, and costs to the agency in administration fees.
- As of January 1, 2016, the OFLA now covers the employer paid portion of employees insurance while they are off for family or medical leave. This change is allowing employees to stretch out their FMLA/OFLA protected leave by working intermittently to protect their benefits. Increasing the complexity of our cases.
- The Affordable Care Act has impacted the work that we do by allowing employer paid benefits to continue for up to 12 months for a qualifying employee. Employees were returning to work once their benefits would be terminated. Now they are staying out longer to obtain the treatment and medical care needed for their conditions. Although this is wonderful news for our staff, we now have to monitor cases closely for rolling back FMLA/OFLA entitlements and are approving little increments of leave in-between their exhaustion. These cases tend to take more time to process, and are very complex.
- Based on a new understanding of the FMLA/OFLA leave laws, we currently have a huge project under way with an implementation deadline of May 2, 2016. The Department of Justice informed us after contract negotiations were over this past bargaining year that state agencies were not granting enough FMLA/OFLA leave for employees who average more than 40 hours per week over a 12-month time period. Because we have the Oregon State Hospital and-the Stabilization and Crisis Unit that are 24/7 facilities, this project impacts our agencies the most. There are many hours of research, and calculations underway at this time to pinpoint who we must retroactively apply this to. First in identifying those employees, then in notifying them of the recalculation of leave entitlements. This project is very complex, not only in retroactively applying this for all open

FMLA/OFLA approvals but moving forward. We do not have a system in place that can accommodate this need, and we must manually process this change by running reports, and comparing data. We must develop a system to monitor and manage this change as soon as possible.

- Kaiser Permanente changed its practice and as a result has significantly impacted our work. Instead of processing medical documentation for their customers for 12 months, they are only supporting three to six months at a time. In addition to the increased amount of medical documentation coming in for each active FMLA/OFLA approval for Kaiser Customers, they are becoming more complex. Their medical documentation comes in with contradictory information and it is hard to interpret its intent. If we had additional staff we could send these documents back to the employees to obtain additional information that will help clarify their medical leave needs.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

- The DHS mission is "To help Oregonians in their communities achieve wellbeing and independence through opportunities that protect, empower, respect choice, and preserve dignity."
- The OHA mission is "Helping people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to quality, affordable health care."
- The OFLA/FMLA Unit reflects both agency missions. We help our employees achieve wellbeing, and empower them during their need for family and medical leave. By providing timely response we also allow them to assist their family members in their wellbeing, and independence, while allowing them to make their own life choices, and preserve dignity. Failure to respond to our employees timely and support them during their difficult times goes directly against the agency missions. We also can help support employees while they achieve optimal physical and mental health at times where they are seeking treatment for conditions.

4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?

This POP is not directly tied to a DHS performance measure, however, we indirectly contribute to the program performance measure by assisting the employees through difficult family and personal health issues so they are here to perform services to the vulnerable citizens in Oregon.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No. This POP provides necessary staffing to achieve minimum objectives related to existing federal and state laws, policies, collective bargaining agreements, service level agreements, and agency mission and goals in relation to family and medical leave.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Since 2011 the FMLA/OFLA Unit has participated in a rapid process improvement, and attends continuous improvement meetings bi-weekly where we develop tools, and share practices and information in our unit. Although we have and continue to look for more efficient ways to process family and medical leave we continue to get further and further behind. Besides being out of federal compliance, when an employee who is having a family or personal health crisis is not getting a response it leads to morale issues. Our agency employees need to know we care about them and their families.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

We would continue to get further behind in our work, increasing the amount of requests we are out of compliance on. We would not be able to adequately perform minimum duties to meet the needs of our employees. Employees would miss more time and continue to have a higher abuse rate of protected leave. Ultimately resulting to decreased services and increased safety risks to our clients in the field due to employee absentee rates.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

The Department of Justice (DOJ) could be affected by this POP. As a result of high out of compliance rates, DOJ may have to defend the agency. By increasing our staffing we would decrease the out of compliance and reduce the risk of needing DOJ services.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

None. This is internal to DHS and OHA. We serve and affect each and every program in both agencies by our services. We collaborate with DAS and several other state agencies sharing templates, processes and continuous improvement tools.

10. WHAT IS YOUR EQUITY ANALYSIS?

The OFLA/FMLA Unit consists of four permanent, full-time employees and one employee rotation. Four of these employees are white (80%) and one is Hispanic (20%). Additionally, four members of this team are female (80%) and one is male (20%). The unit has one staff member currently eligible to retire (20%) and two others who are eligible to retire within the next five years (40%).

Equity is usually outward facing and deals more directly with the services we are providing the vulnerable citizens in Oregon. This POP deals directly with our employees and infrastructure but if we are not providing services equitably to our own employees they are not available physically or mentally to provide services to our vulnerable clients. We must have a healthy and prepared work force to provide equity to our clients.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): 1/1/2018
End Date (if applicable): Permanent Funding

a. Will there be new responsibilities for DHS?
No new responsibilities, but backlogged workload for both DHS and OHA.

b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected. See Addendum A - Shared Services LC/POP Impact Questionnaire (at the end of this document).
There will be a need to build cubicle spaces ($810), and add computers and computer screens for two positions ($3,400).

c. Will there be changes to client caseloads or services provided to population groups?
N/A.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.
This request is for two permanent HRA1, full-time, 24-month positions.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?
Computers and monitors ($3,400); facilities charges for two cubicle configurations ($810)

f. What are the ongoing costs?
$539,040

g. What are the potential savings?
N/A.

h. Based on these answers, is there a fiscal impact?
See below: $539,040

TOTAL FOR THIS PACKAGE (DHS+OHA)

Category	GF	OF	FF	TF	Position	FTE
Personal Services	0	228,410	0	228,410	2	1.50
Services & Supplies	35,066	20,154	6,844	62,064		
Special Payments	189,001	10,882	48,681	248,564		
Total	**$224,067**	**$259,446**	**$55,525**	**$539,038**	**2**	**1.50**

DHS/OHA- Fiscal Impact Summary by Program Area:

	DHS Shared Services	DHS SAEC	OHA SAEC	Total
General Fund	**$0**	**$159,767**	**$64,300**	**$224,067**
Other Fund	**$248,564**	**$0**	**$10,882**	**$259,446**
Federal Funds- Ltd	**$0**	**$31,784**	**$23,741**	**$55,525**
Total Funds	**$248,564**	**$191,551**	**$98,923**	**$539,038**
Positions	**2**	**0**	**0**	**2**
FTE	**1.50**	**0.00**	**0.00**	**1.50**

What are the sources of funding and the funding split for each one?

For purposes of this analysis, the cost allocation and fund splits for DHS/OHA are based on the 2015-17 Cost Allocation Model where we have applied the aggregate DHS/OHA fund splits of General Fund, Other Fund and federal fund. . Available revenue sources are based on grants which are entitlement grants that are matched, and grants that are not federally capped and are available to programs or offices within DHS/OHA.

Oregon Health Authority
2017-2019 Policy Option Package

Agency Name: **Oregon Health Authority**
Program Area Name: **Health Systems Division and Public Health Division**
Program Name: **N/A**
Policy Option Package Title: **OHA Other Fund Revenue Shortfall (Package 070 Reductions)**
Policy Option Package Number: **070 (See corresponding Policy Option Package 409)**
Related Legislation: **N/A**

Summary Statement:

This POP is required by the Department of Administrative Services budget instructions to reduce Other Fund expenditure authority to revenues available at current service level. This POP reduces Other Fund authority to align with the projected:

- **Tobacco Master Settlement Revenue** for Health Systems Division ($3,301,600) and Public Health ($850,200);
- Other Fund revenue shortfall from Public Health's **Oregon Environmental Laboratory Accreditation Program (ORELAP)** fees ($16,417);
- Other Fund revenue shortfall from Public Health's **Newborn Screening** program fees ($11,170); and,
- Other Fund revenue shortfall from fees for programs administered by Public Health's **Health Care Regulation and Quality Improvement (HCRQI)** programs ($936,475).

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing:	**$0**	**($5,115,862)**	**$0**	**($5,115,862)**

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP is required by the Department of Administrative Services budget instructions to reduce Other Fund expenditure authority to current service level available revenues. This POP reduces Other Fund authority to align with the projected:

- **Tobacco Master Settlement** Revenue for Health Systems Division ($3,301,600) and Public Health ($850,200);
- Other Fund revenue shortfall from Public Health's **Oregon Environmental Laboratory Accreditation Program (ORELAP)** fees ($16,417);
- Other Fund revenue shortfall from Public Health's **Newborn Screening** program fees ($11,170); and,
- Other Fund revenue shortfall from fees for programs administered by Public Health's **Health Care Regulation and Quality Improvement (HCRQI)** programs ($936,475).

In POP #409, the Oregon Health Authority requests Public Health proposed fee and Other Fund authority increases to cover program operating costs.

- The Oregon State Public Health Laboratory is proposing to add four new fees and increase 12 existing fees relating to **ORELAP** by 20 percent. This POP removes the 2017-2019 impact of those fees ($16,417) in the event the Legislature does not approve the fee increase for 2017-2019 in POP #409.
- The **Newborn Screening** program is proposing to increase in-state fees to the same level as out-of-state fees. This package removes the 2017-2019 impact of those fees ($11,170) in the event the Legislature does not approve the fee increase for 2017-2019 in POP #409.
- The **HCRQI** program is proposing to increase licensing fees for hospice agencies and in-home care agencies. It also would increase fees charged by the Certificate of Need program and Facility Planning and Safety Construction program. This package removes the 2017-2019 impact of those fees ($936,475) in the event the Legislature does not approve the fee increase for 2017-2019.

2. WHY DOES OHA PROPOSE THIS POP?

This POP is required by the Department of Administrative Services budget instructions to reduce Other Fund expenditure limitation to current service level available revenues.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

This POP is required by the Department of Administrative Services budget instructions to reduce Other Fund expenditure limitation to current service level available revenues.

4. IS THIS POP TIED TO AN OHA PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL OHA MEASURE THE SUCCESS OF THIS POP?

No.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

This POP is required by the Department of Administrative Services budget instructions to reduce Other Fund expenditure limitation to current service level available revenues.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

This POP is required by the Department of Administrative Services budget instructions to reduce Other Fund expenditure limitation to current service level available revenues.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

None.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

None.

10. WHAT IS YOUR EQUITY ANALYSIS?

Not applicable.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): July 1, 2017

End Date (if applicable): N/A

a. Will there be new responsibilities for OHA? Specify which Program Area(s) and describe their new responsibilities.

No.

b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.

No.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

No.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.

No.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

None.

f. What are the ongoing costs?

Not applicable. This POP is required by the Department of Administrative Services budget instructions to reduce Other Fund expenditure limitation to current service level available revenues.

g. What are the potential savings?

Not applicable. This POP is required by the Department of Administrative Services budget instructions to reduce Other Fund expenditure limitation to current service level available revenues.

h. Based on these answers, is there a fiscal impact?

Yes. This POP is required by the Department of Administrative Services budget instructions to reduce Other Fund expenditure limitation to current service level available revenues.

TOTAL FOR THIS PACKAGE

Category	GF	OF	FF	TF	Position	FTE
Personal Services	$0	($617,188)	$0	($617,188)	(2)	(2.91)
Services & Supplies	$0	($346,874)	$0	($346,874)		
Special Payments	$0	($4,151,800)	$0	($4,151,800)		
Total	**$0**	**($5,115,862)**	**$0**	**($5,115,862)**	**(2)**	**(2.91)**

OHA - Fiscal Impact Summary by Program Area:

	HSD Tobacco Master Settlement	PH Tobacco Master Settlement	ORELAP	Newborn Screening	HCRQI	Total
Other Fund	**($3,301,600)**	**($850,200)**	**($16,417)**	**($44,170)**	**($936,475)**	**($5,115,862)**
Total Funds	**($3,301,600)**	**($850,200)**	**($16,417)**	**($44,170)**	**($936,475)**	**($5,115,862)**
Positions	**0**	**0**	**0**	**0**	**(2)**	**(2)**
FTE	**0.00**	**0.00**	**(0.04)**	**(0.08)**	**(2.79)**	**(2.91)**

Oregon Health Authority
2017-2019 Policy Option Package

Agency Name: Oregon Health Authority
Program Area Name: Public Health Division Center for Health Protection
Program Name: Environmental Public Health
Policy Option Package Title: Cleaner Air Oregon Initiative
Policy Option Package Number: 401
Related Legislation: N/A

Summary Statement:

This POP would improve the ability of the Environmental Public Health Section of the Public Health Division and protect Oregon communities from environmental health risks. Preventing environmental exposures can reduce the rates of illness and decrease the overall costs of health care in Oregon. Environmental health issues such as childhood lead poisoning, poor air quality and the effects of climate change disproportionately affect low-income and minority populations. Funding this POP would give OHA the capacity to work with the Oregon Department of Environmental Quality to support and implement health-based environmental regulations to protect the health of all Oregonians.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing:	**$989,185**	**($217,741)**	**($520,739)**	**$250,705**

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP would improve the ability of the Environmental Public Health (EPH) Section of the OHA Public Health Division (PHD). EPH is funded primarily through federal grants, which have strict requirements on how they can be spent. There is little flexibility to perform work that is outside the scope of the grant. When situations arise such as the recent metals emissions from glass manufacturers, this rigid funding system makes it challenging to implement an appropriately resourced response. EPH needs dedicated state funding in order to adequately address existing and emerging environmental health concerns. In order to address recent air quality issues, the Governor developed a "Cleaner Air Oregon" initiative, which will allow PHD to partner with the Department of Environmental Quality (DEQ) to ensure that new regulations protect people's health and promote health equity. The next phase in this initiative will be "Healthy Places Oregon" in which PHD will prioritize the most significant environmental health risks in Oregon and provide health-based information to communities and decision makers. This POP also would give EPH an opportunity to increase its capacity to reduce the health risks of climate change in communities most at risk.

2. WHY DOES OHA PROPOSE THIS POP?

This POP would expand the Environmental Public Health Section's capacity. Funding would support additional staff to be trained to respond to general environmental public health concerns as well as emerging issues as they arise. This expanded capacity also would further EPH's efforts in the fields of environmental justice and health equity.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

The Public Health Division's vision is: Lifelong health for all people in Oregon. Our mission is: Promoting health and preventing the leading causes of death, disease and injury in Oregon. Expansion of EPH would allow a proactive approach to preventing environmental exposures that cause disease and injury in Oregon, specifically among at-risk communities. This effort is tied to the Governor's five focus areas (Safer and

Healthier Oregonians) as well as the Governor's Strategic Plan to address climate and health. It also is connected with modernization of Oregon's public health system.

4. IS THIS POP TIED TO AN OHA PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL OHA MEASURE THE SUCCESS OF THIS POP?

This POP is not tied to an existing performance measure. OHA will measure the success of this effort by tracking the number of health-based regulations developed, the increased number of primary prevention activities performed and the improved health outcomes of Oregonians as a whole.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

The public health modernization efforts are continuing to progress, and environmental public health has been identified as an area in which current resources are lacking. However, the first phase of modernization is to ensure capacity at the local public health provider level for core public health. EPH may be targeted for increased resources through modernization in future biennia. However, staff are stretched extremely thin because of recent events concerning lead in school drinking water, radon in schools, general air quality concerns in a variety of locations around Oregon, metals emissions from glass manufacturers, and the development of health-based air quality standards in coordination with DEQ. Additional support is required to continue these immediate efforts.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

If this POP is not funded, EPH will continue to have an inadequate capacity to effectively respond to existing and emerging environmental health concerns in Oregon.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Expanding EPH's capacity would benefit DEQ by increasing capacity to develop health-based air quality standards and to respond to the concerns of Oregonians.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

None.

10. WHAT IS YOUR EQUITY ANALYSIS?

Many environmental health issues disproportionately affect low-income and minority populations. For example, childhood lead poisoning rates are higher in children with low socioeconomic status. Low-income housing is commonly located near industrial areas or highways, where air quality is typically poor. Asthma rates among low-income and minority populations are higher than the general population. Healthy Places Oregon will prioritize the most significant environmental health concerns using a lens of health equity. Increasing the capacity of EPH to proactively address health concerns will decrease illness and the overall cost of health care in Oregon.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

This POP includes pricing for four positions (4.00 FTE). Existing position authority is repurposed to fulfill the staffing needs identified in this POP. No new position authority is requested.

Implementation Date(s): Ju1y 1, 2017

End Date (if applicable): Ongoing

a. Will there be new responsibilities for OHA? Specify which Program Area(s) and describe their new responsibilities.

EPH will be performing a new role in assisting DEQ in the development of health-based regulation. Other responsibilities will see a significant expansion of efforts.

☒ Public Health Division
☒ Environmental Public Health (PHD)

b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.

Contract support will be required if sub-contracting occurs.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

Additional capacity would allow EPH to extend its reach to additional population groups.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.

Yes. The table below details the existing position authority that is repurposed for this POP.

Action	Position#	Class Title	Type	Pos	FTE	GF	OF	FF	TF
Abolish	0000848	Chemist 3	PF	(1)	(1.00)	$0	($174,293)	$0	($174,293)
Abolish	1000692	OS 2	PF	(1)	(1.00)	$0	$0	($112,166)	($112,166)
Abolish	0000902	RA 3	PF	(1)	(1.00)	$0	($13,388)	($148,503)	($161,891)
Abolish	0000369	Epidemiologist 2	PF	(1)	(1.00)	$0	$0	($181,102)	($181,102)
Establish	New	PHP 2	PF	1	1.00	$304,969	$0	$0	$304,969
Establish	New	NRS 4	PF	1	1.00	$188,290	$0	$0	$188,290
Establish	New	PHE 2	PF	1	1.00	$161,891	$0	$0	$161,891
Establish	New	PA 3	PF	1	1.00	$181,102	$0	$0	$181,102
Total				0	0.00	$836,252	($187,681)	($441,771)	$206,800

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?
None.

f. What are the ongoing costs?
Salary, administrative overhead.

g. What are the potential savings?
Decreased health care costs. For example, preventing the environmental trigger that can cause an asthma attack from happening in the first place prevents a costly visit to the emergency room.

h. Based on these answers, is there a fiscal impact?
Yes.

TOTAL FOR THIS PACKAGE

Category	GF	OF	FF	TF	Position	FTE
Personal Services	$836,252	($187,683)	($441,769)	$206,800	0	0.00
Services & Supplies	$152,933	($30,058)	($78,970)	$43,905		
Total	**$989,185**	**($217,741)**	**($520,739)**	**$250,705**	**0**	**0.00**

OHA - Fiscal Impact Summary by Program Area:

	EPH	Total
General Fund	**$989,185**	**$989,185**
Other Fund	**($217,741)**	**($217,741)**
Federal Funds- Ltd	**($520,739)**	**($520,739)**
Total Funds	**$250,705**	**$250,705**

What are the sources of funding and the funding split for each one?
State General Fund. The Other Funds and Federal Funds being reduced are empty fee limitation.

Oregon Health Authority
2017-2019 Policy Option Package

Agency Name:	**Oregon Health Authority**
Program Area Name:	**OHA Fiscal and Operations Division**
Program Name:	**Office of Program Integrity**
Policy Option Package Title:	**Enhance OHA Office of Program Integrity**
Policy Option Package Number:	**402**
Related Legislation:	**Senate Bill 1577 (2014 Regular Session); federal regulation**

Summary Statement:

The purpose of the OHA Program Integrity POP is to build a successful and cost-effective program to detect, prevent and investigate fraud, waste and abuse. This POP would add seven new governmental auditor (GA 2) positions to the Provider Audit Unit. This would enable OHA to:

- Improve its program to detect, prevent and investigate Medicaid and non-Medicaid fraud, waste and abuse
- Audit and investigate the coordinated care organizations and their provider networks for fraud, waste and abuse
- Comply with the Centers for Medicare and Medicaid Services (CMS) new and enhanced program integrity requirements for managed care organizations
- Increase oversight of provider types and practices that are vulnerable to fraud, waste and abuse. These include home- and community-based services; long-term care services and supports; durable medical equipment; behavioral health; pharmacy billing; contracted services; and waiver-based services
- Work with contractors to investigate and audit fraud, waste and abuse leads provided by data analyses and discoveries
- Augment Medicaid beneficiary fraud investigations

- Strengthen program integrity principles throughout Medicaid rules

The staffing enhancements are critical to the additional fraud, waste and abuse strategies proposed in this POP.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing:	**$1,566,735**	**$2,050,000**	**$3,614,761**	**$7,231,496**

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

Comprehensive oversight and monitoring of the entire Medicaid investment would create great efficiencies for OHA and increase the amount of inappropriate payments returned to OHA.

The Centers for Medicare and Medicaid Services noted the ***lack of a centralized program integrity oversight program*** in OHA in its 2010 and 2013 program integrity reviews. (In 2010, OHA programs were part of the single agency DHS). CMS strongly recommended Oregon identify a central unit to oversee federally mandated comprehensive program integrity activities, and to develop and manage a formal program integrity work plan. With existing resources OHA created the Office for Program Integrity under the chief financial officer, and transferred the Provider Audit Unit from Shared Services to this office.

As the Single State Medicaid Agency under ORS 413.032(1)(g), OHA has the obligation and responsibility to provide a comprehensive program to prevent, detect and investigate Medicaid fraud, waste and abuse. The POP would fund seven new governmental auditor (GA 2) positions for the Provider Audit Unit. This would allow the unit to provide better oversight and monitoring of provider types and practices that are vulnerable to fraud, waste and abuse, including home and community based services; long-term care services and supports; durable medical equipment (DME); behavioral health; pharmacy billing; contracted services; and waiver-based services. It also would bring program integrity practices to OHA rule making, contracting and

operations. One of the positions would be specifically focused on issues of the Medicaid Management Information System (MMIS) that can cause inappropriate payments.

The POP also includes contracting with a data-analytic contractor to perform advanced and innovative analytics on Medicaid data. The new positions would incorporate these analytics into their fraud, waste and abuse prevention and investigation activities.

Based on existing audit operations, the seven new permanent FTE are projected to have an annual return on investment (ROI) of approximately $3 for each $1 spent (including savings that accrue directly to CMS). This ROI would essentially self-fund the positions.

2. WHY DOES OHA PROPOSE THIS POP?

OHA is held accountable to CMS for all program integrity operations, and retains the ultimate administrative authority and responsibility for the operation and oversight of the Medicaid program. OHA is specifically responsible to ensure that all Medicaid funds expended under its authority (the entire Medicaid investment) are spent appropriately and in accordance with federal and state law, federal and state regulations, the State Plan, State Plan Amendments and all waivers. Strengthening program integrity will bring consistency to the auditing of all Medicaid providers; will enhance auditing and oversight of certain Medicaid-funded operations; and will expand fraud, waste and abuse auditing and oversight of all Medicaid providers and operations. In addition, the inclusion of a data-analytic contractor would build a more robust analytic operation within Medicaid, but would require additional government auditing staff to follow up on the results, findings and leads that the contractor discovers.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

This POP will further OHA's goals of transparency, stewardship and accountability by coordinating federally mandated program integrity operations. The agency's auditing of Medicaid providers currently is limited to fee-for-service (FFS) providers, and the resource base further limits our ability have a highly effective FWA program. The additional GA2 staff and the data analytic contractor will allow for a more comprehensive effort to audit managed care Medicaid operations and the long-term care services and supports (LTCSS) system and the home- and community-based systems. The rapid growth of the Medicaid populations (nearly doubled membership), coupled with the magnitude of OHA's CCO program and the aging population present significant vulnerabilities over which we currently have limited independent audit and oversight capacity.

4. IS THIS POP TIED TO AN OHA PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL OHA MEASURE THE SUCCESS OF THIS POP?

OHA is required to report on recoveries, savings and return on investment (ROI). This POP would include the development, monitoring and reporting of consistent and appropriate metrics with stakeholders, CMS and other agencies. These metrics will allow OHA to develop recovery-based budgeting; understand and incorporate cost-avoidance impacts; and have a clear line-of-sight to return on investment.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

The alternative would be to leave program integrity operations in their current state. The Oregon Medicaid program and population are growing and OHA's accountability, monitoring and oversight responsibilities

must keep pace with this growth. The POP will allow for OHA oversight and monitoring of the significant Medicaid investment made through the CCOs, OHA and DHS. It also would ensure compliance with CMS's new MCO program integrity rules.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Not funding the POP would continue the limited scope and function of the OHA program integrity FWA operations. OHA would continue to face challenges in monitoring the largest Medicaid investments through the CCOs, OHA and DHS. Lack of a data analytics contractor would limit OHA's ability to look for FWA leads. Lack of funding for the new auditor positions would limit OHA's scope of auditing in areas of substantial Medicaid expenditures.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

The POP, by increasing FWA audit activities, may affect other state agencies that receive substantial Medicaid funds such as DHS, and to a minor extent tribal and local governments.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

Agencies, programs and stakeholders that work with Medicaid (as with other federal and state funding streams) widely understand that such work includes FWA oversight and monitoring. They recognize OHA's role as the single state Medicaid agency. OHA has worked and will continue to collaborate with these partners in developing the appropriate FWA program for Oregon Medicaid.

10. WHAT IS YOUR EQUITY ANALYSIS?

There are no known racial or ethnic inequalities associated with this POP.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?
Adding seven GA 2 positions (entering at step 2 or 3)

Implementation Date(s): October 1, 2017

End Date (if applicable): N/A

a. Will there be new responsibilities for OHA? Specify which Program Area(s) and describe their new responsibilities.

☒ Administrator of Program Integrity
☒ Chief Financial Officer

The Administrator of Program Integrity will assume the responsibilities for all aspects of the Program Integrity Unit, and the operations and functions of the OHA Medicaid PI program as described in the POP.

The CFO will have responsibility for ensuring the effective management and oversight of the Program Integrity Unit as described in the POP.

b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.
Hiring cost of new auditing staff are fully loaded. Offices affected by the hire are: HR, facilities, OIS, training and onboarding.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.
No

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.

New staff: seven total

GA 2, seven positions = 21 months for 2017-2019 biennium; continuous for subsequent biennium; permanent full time

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

Start-up costs would be negligible. The new staff would be incorporated into the existing audit unit. No new or significant modifications are anticipated.

f. What are the ongoing costs?

Typical per FTE for classification (see financials below).

g. What are the potential savings?

Based on existing, and limited audit operations, the seven new permanent FTE are projected to have an ROI of approximately $3:$1 per year (including savings that accrue directly to CMS), essentially self-funding the positions. Efficiencies will be gained and inappropriate payments will be returned to OHA.

The ROI for the data analytic contractor may not be fully realized in 2017-2019; however, ROI estimates for the 2019-2021 biennium would be similar to the audit positions.

h. Based on these answers, is there a fiscal impact?
Yes, as a result of the funding request for new positions and the data analytic contractor.

TOTAL FOR THIS PACKAGE

Category	GF	OF	FF	TF	Position	FTE
Personal Services	$495,782	0	$495,796	$991,578	7	6.16
Services & Supplies	$3,120,953	0	$3,118,965	$6,239,918		
Special Payments	($2,050,000)	$2,050,000	0	0		
Total	**$1,566,735**	**$2,050,000**	**$3,614,761**	**$7,231,496**	**7**	**6.16**

OHA - Fiscal Impact Summary by Program Area:

	HSD Admin	HSD Medicaid	Total
General Fund	**$3,616,735**	**$(2,050,000)**	**$1,566,735**
Other Fund	**$0**	**$2,050,000**	**$2,050,000**
Federal Funds- Ltd	**$3,614,761**	**$0**	**$3,614,761**
Total Funds	**$7,231,496**	**$0**	**$7,231,496**
Positions	**7**	**0**	**7**
FTE	**6.16**	**0.00**	**6.16**

What are the sources of funding and the funding split for each one?
State General Fund. The Other Funds represent funding recovery and the Federal Funds are Medicaid Admin.

Oregon Health Authority
2017-2019 Policy Option Package

Agency Name: Oregon Health Authority
Program Area Name: OHP Pharmaceutical Benefit Program
Program Name: Medicaid Population Hepatitis C Treatment
Policy Option Package Title: Hepatitis C (HCV) Treatment Coverage Expansion
Policy Option Package Number: 403
Related Legislation: N/A

Summary Statement:

Hepatitis C is a viral infection that primarily affects the liver and progresses through several stages of increasing severity. Higher stages of the disease result in chronic liver disease, liver failure and possibly liver cancer. Direct-acting antiviral medications, known as DAAs, are available to treat Hepatitis C infection and frequently result in a cure. In general, DAAs are expensive compared to other prescription drugs. The Oregon Health Plan offers treatment for the diseases at stages F3 and F4, and is limited at earlier stages. This POP would provide funds to cover treatment to OHP members beginning at stage F2.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing:	**$42,623,093**	**$19,129,530**	**$200,186,507**	**$261,939,130**

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP would provide additional targeted funding to expand access to direct-acting antiviral (DAA) drugs to OHP members at stage F2 of hepatitis C.

DAA drugs, a new type of hepatitis C (HCV) treatment, came to market in December 2013. OHA worked with a coalition of patient care advocates, physicians, pharmacists, and CCO representatives through the Oregon Health Plan Pharmacy and Therapeutics Committee to design appropriate, conservative coverage criteria for the costly new drugs. Hepatitis C patients who receive OHP benefits on a fee-for-service basis are covered primarily for stages F3 and F4. (The "F" stands for fibrosis, which describes damage to liver tissue.) FFS clients have access to the treatment at earlier stages only under certain circumstances. OHA requires coordinated care organizations (CCOs) to provide coverage that is substantially similar or better.

In the past two years some states' Medicaid programs have moved to include coverage before F3. The reasons include shifting standards of care, lower costs from competition with newer drugs, specific guidance from the Centers for Medicare and Medicaid Services (CMS), litigation and threats of litigation.

After consideration of clinical evidence, OHA concluded it would be appropriate to expand current coverage criteria to treat the disease at the F2 stage.

2. WHY DOES OHA PROPOSE THIS POP?

Deaths from HCV in Oregon rose steadily over the past decade, averaging more than 400 annually from 2009 to 2013. The HCV mortality rate was six times higher than that of HIV in Oregon during that five-year period, and in 2013 was twice the national average.

This POP will expand the current OHP program coverage guidelines to treat stage F2 HCV in FFS and CCO populations. It would not create any completely new programs. It would affect OHP members with HCV, including FFS clients and CCO members. It would also affect specialists and primary care providers who

care for clients and members with HCV by offering expanded treatment options to patients. It would improve health by functionally curing disease and preventing some spread of HCV. Legal cases recently filed in other states, including Washington, argue federal law requires state Medicaid programs to cover DAAs without regard to staging and in some cases resulted in federal court orders requiring expanded treatment of the disease beyond F2.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

OHA's mission is "Helping people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to quality, affordable health care." Expanding HCV treatment to F2 provides increased access to a high-quality treatment for Oregonians affected by this disease. Additionally, expanded coverage would address prevention by decreasing the pool of infected individuals who could potentially spread disease to others.

OHA, in consultation with OSU pharmacy subcontractor staff, clinical staff, and the Oregon Department of Justice, concluded that it is necessary to expand coverage to stage F2 to ensure that state policy does unreasonably restrict coverage of effective treatment. This was in response to guidance letter 172 from the Centers for Medicare and Medicaid Services. That letter stated, in part, "CMS is concerned that some states are restricting access to DAA HCV drugs contrary to the statutory requirements in section 1927 of the Act by imposing conditions for coverage that may unreasonably restrict access to these drugs."

4. IS THIS POP TIED TO AN OHA PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL OHA MEASURE THE SUCCESS OF THIS POP?

The success of HCV treatment with DAAs can be monitored at the patient level with a blood test known as the Sustained Virologic Response (SVR). OHA contracts with a third party to track the SVR in the FFS population, and SVR also is tracked at the CCO level. OHA will work to develop a model to track SVR results of Medicaid treated patients to monitor the success of treatment.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

OHA considered not expanding coverage to F2. Reasons for rejecting this include risk of litigation, risk of noncompliance with CMS directive, and limited clinical justification.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

There are three primary adverse effects of not funding this POP.

First, OHA would incur HCV treatment costs that could have been avoided by providing earlier DAA access. Treatment at later stages may require specialist oversight, also at an additional cost, and could even result in a need for a liver transplant.

Second, the disease will continue to spread if infected individuals are not treated. This in turn will result in additional affected individuals with associated health conditions and treatment costs.

Third, OHA would face a significant risk of litigation. At least two class action lawsuits have been filed in other states (Washington and Indiana) over restriction of DAA coverage to stages F3 and F4. Litigation could result in a federal injunction that severely limits OHA's ability to manage coverage of medically appropriate care.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Tribal populations would be affected by expanded treatment of HCV, as their members would receive this benefit. In Oregon, American Indians and Alaska Natives are twice as likely as whites to die from HCV, according to Oregon Public Health data.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

None.

10. WHAT IS YOUR EQUITY ANALYSIS?

Significant racial disparities exist in Oregon: the burden of HCV disproportionately affects African Americans and American Indians/Alaska Natives compared to whites. Rates of reported cases of chronic HCV infection are more than twice as high; cases of liver cancer are 50 percent higher, and HCV-related deaths are twice as high in African American and American Indians compared to whites (see table and figure below).

Condition	Incidence Rates (cases per 100,000)		
	Whites	Blacks	AI/AN
Chronic HCV infection	57.5	124.4	127.7
Liver cancer due to HCV	3.1	5.1	4.1
HCV deaths	8.9	16.1	17.4

Please see the OHA's Viral Hepatitis in Oregon report from May 2015, available online at: https://public.health.oregon.gov/DiseasesConditions/HIVSTDViralHepatitis/AdultViralHepatitis/Documents/Viral_Hepatitis_Epi_Profile.pdf

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): July 2017 – based on approximately 3,300 currently enrolled OHP members who are likely in Stage 2 of Hepatitis C. This POP assumes the approximately 3,300 would receive treatment during the 2017-2019 biennium. The cost per treatment is based on current cost of pharmaceuticals for CCO members and fee-for-service members.

End Date (if applicable): N/A

a. Will there be new responsibilities for OHA? Specify which Program Area(s) and describe their new responsibilities.

OHA will be responsible for expanded monitoring and oversight of CCOs to ensure CCOs provide appropriate access to treatment in accordance with federal regulations, and are not more restrictive than FFS in terms of scope, duration and amount of treatment. This will be new work in terms of oversight of F2 treatment.

b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.

None.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

Expanded treatment to stage F2 disease will result in the need for more intense medical management of F2 individuals while they undergo treatment for a limited time, typically no longer than 12 weeks.

This would potentially involve more frequent physician office visits and working with a designated case worker. For the FFS population this work would be conducted by a third party medical management entity that already does this work for F3 and F4 members. CCOs would use locally developed resources to conduct this work. The estimated number of OHP members with stage F2 is 3,300.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.

No new staff or and no modifications to existing positions will be required.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

Not applicable – the costs in the POP are the costs to provide the treatment to eligible OHP members. Currently, OHP covers the costs for OHP members in stage 3 and 4. This does not require any changes to existing systems.

f. What are the ongoing costs?

Ongoing costs will include treatment for OHP clients in Stage 2 as part of the OHP benefit.

g. What are the potential savings?

Potential savings would include long-term better health outcomes for those with Hepatitis C. those with the disease presumably would not progress to higher stages of the disease that lead to chronic liver disease, liver failure and possibly liver cancer. Given the uncertainty around other cost factors related to treating the Hepatitis C population, OHA is cautious about pricing a long-term saving; however, it is likely that OHP would realize an avoidance of future costs because this population would not need to receive higher-cost future treatment.

h. Based on these answers, is there a fiscal impact?
Yes – see below.

TOTAL FOR THIS PACKAGE

Category	GF	OF	FF	TF	Position	FTE
Special Payments	$42,623,093	$19,129,530	$200,186,507	$261,939,130		
Total	**$42,623,093**	**$19,129,530**	**$200,186,507**	**$261,939,130**	**0**	**0.00**

OHA - Fiscal Impact Summary by Program Area:

	HSD Medicaid	Total
General Fund	**$42,623,093**	**$42,623,093**
Other Fund	**$19,129,530**	**$19,129,530**
Federal Funds- Ltd	**$200,186,507**	**$200,186,507**
Total Funds	**$261,939,130**	**$261,939,130**

What are the sources of funding and the funding split for each one?
Other Funds will be funds received from Drug Rebates and will offset General Fund and Medicaid Fund.

Oregon Health Authority
2017-2019 Policy Option Package

Agency Name: Oregon Health Authority
Program Area Name: Health Systems Division – Non Medicaid
Program Name: Child and Family Behavioral Health
Policy Option Package Title: Juvenile Fitness to Proceed
Policy Option Package Number: 404
Related Legislation: Juvenile Fitness to Proceed Legislative Concept

Summary Statement:

This policy option package corresponds to the Juvenile Fitness to Proceed (Aid and Assist) legislative concept, which would change Oregon Revised Statutes in the area of what is known as juvenile fitness to proceed. If these changes become law, youth who are receiving behavioral health services with the aim of restoring their fitness to assist with their legal defense would receive those services in a non-residential setting in their community. This would reduce the burden on the youth mental health residential system and generate General Fund savings by decreasing inappropriate use of residential treatment for these youth.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing:	**($438,984)**	**$0**	**$0**	**($438,984)**

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

Under the current Juvenile Fitness to Proceed (Aid and Assist) statute, youth who need "restorative services" or a fitness to proceed evaluation can be placed in a secure facility under certain circumstances. OHA has designated the Secure Adolescent Inpatient Program (SAIP) at the Children's Farm Home as the facility to be used in these cases. Youth are being referred to this facility with increasing frequency, at times inappropriately. This can result in youth being served at a level of care that does not meet their needs, extra costs to OHA, and further delays for other youth who are waiting for a residential placement.

2. WHY DOES OHA PROPOSE THIS POP?

Restorative services are most effective when they accompany medically necessary behavioral health services and supports. The SAIP facility may be inappropriate for youth who need restorative services. A better option is for the youth to receive treatment through existing local programs. This also allows youth who do require residential services at SAIP to have access to those services.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

This POP would create savings in the area of secure residential services by changing the process for referring youth to residential treatment. The combined legislative concept and POP direct the judicial system and the youth behavioral health system to serve youth in the most appropriate setting, and address the children's residential system capacity issues. It also will put more responsibility on the community mental health programs (CMHP) to provide for the needs of the youth in their counties.

4. IS THIS POP TIED TO AN OHA PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL OHA MEASURE THE SUCCESS OF THIS POP?

This POP will save money, be a step toward providing medically necessary behavioral health services in the least restrictive environment possible, and reduce part of the strain on the youth mental health residential system—especially at the highest levels of care.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

OHA has developed a corresponding legislative concept to amend ORS 419C.378-398 (juvenile fitness to proceed statute). The legislative concept and POP should be considered a package. One should not move forward without the other.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

N/A

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

This POP does not require funding. If it is not enacted, our processes will remain the same. This will likely result in courts continuing to order youth into an inappropriate level of care at the SAIP.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

DHS Child Welfare: Many of the youth that are ordered to participate in restorative services are in DHS custody. When these youth experience placement struggles, DHS may seek placement at SAIP for restorative services.

County juvenile departments: County probation staff are responsible for community supervision of youth who receive restorative services in the community. When community safety is a concern, juvenile justice departments may seek a placement at SAIP.

CMHPs: County mental health programs will be expected to provide appropriate placement recommendations.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

None.

10. WHAT IS YOUR EQUITY ANALYSIS?

This POP brings the juvenile statute more closely in line with medically necessary treatment and serving youth in the least restrictive environment available.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): 1/1/18

End Date (if applicable): N/A

a. Will there be new responsibilities for OHA? Specify which Program Area(s) and describe their new responsibilities.

No new Responsibilities for OHA.

b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.
No

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.
No. We will still serve the same amount of youth in restorative services, but may serve them in different environments.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.
No changes for staffing or modification of duties.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?
No start-up costs. The program is up and running.

f. What are the ongoing costs?
No ongoing costs, only anticipated savings.

g. What are the potential savings?
Serving fewer youth with restorative services in SAIP creates potential savings (see worksheet).

h. Based on these answers, is there a fiscal impact?
There are potential and likely savings.

TOTAL FOR THIS PACKAGE

Category	GF	OF	FF	TF	Position	FTE
Special Payments	($438,984)	0	0	($438,984)		
Total	**($438,984)**	**$0**	**$0**	**($438,984)**	**0**	**0.00**

OHA - Fiscal Impact Summary by Program Area:

	Child and Family Behavioral Health	Total
General Fund	**($438,984)**	**($438,984)**
Total Funds	**($438,984)**	**($438,984)**

Department of Human Services / Oregon Health Authority
2017-2019 Policy Option Package

Agency Name: Oregon Health Authority (OHA)
Program Area Name: Office of Information Systems/Health Systems Division
Program Name: Office of Information Systems/Health Systems Division
Policy Option Package Title: Medicaid Management Information System (MMIS) Strategic Plan for Modularization
Policy Option Package Number: 405
Related Legislation: N/A

Summary Statement:

The Centers for Medicare and Medicaid Services (CMS) requires all states to move toward a modular design on their information systems that support the Medicaid program. This will allow the systems to be upgraded as programs and technology evolve. They have to use a competitive process to plan and implement these modular solutions. Oregon's current Medicaid Management Information System (MMIS) is a monolithic system implemented in 2008. MMIS was designed primarily to support a fee for service-based model. It later was extensively modified to support Oregon's capitation-based coordinated care organization (CCO) model. This POP requests state funds to secure 90 percent federal participation funds to: define Oregon's Medicaid service delivery strategic plan, assess the approaches other states have taken toward modularization; identify options for modular solutions; define certification requirements as required by CMS; and begin the procurement process.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing:	**$367,739**	**$2,022,391**	**$3,241,513**	**$5,631,643**

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP supports OHA and DHS as they begin planning to comply CMS requirements for delivery of Medicaid services in Oregon. CMS is requiring that all states use interconnected modules or components to create a system of services, software, data and interfaces.
These modules will be inter-operable, scalable, reusable and relatively independent of other application modules, allowing them to be updated or even replaced without an impact on the whole.

OHA and DHS anticipate a five-year effort to re-align the systems that support Oregon's Medicaid program to a modular business and technical architecture. For the 2017-2019 biennium, emphasis will be on defining the strategy, roadmap and approach.

Activities this POP will fund include:

- Development of a Medicaid service delivery strategic plan. It would outline Oregon's alignment to the Affordable Care Act (ACA) and business architecture that supports the CCO capitation model and other value-based payment models. It also would still support the fee-for-service payment model. Oregon plans to use an independent consulting organization as a strategic technology advisor to help with planning efforts at three levels:
    - An executive-level trusted advisor helping leadership define Oregon's Medicaid service delivery strategy
    - A program-level guide to help define functional requirements, capture operational business needs, define and refine business processes, and optimize workflow
    - An industry expert to help Oregon identify the best acquisition strategy and approach by examining industry best practices, other states' approaches and lessons learned. . This entity will also help Oregon determine the optimal project structure and staffing model.
- Update Oregon's Medicaid Information Technology Architecture (MITA) five-year plan in accordance with CMS requirements

- Incorporate CMS certification requirements into Medicaid solution alternative requirements to ensure compliance with certification criteria
- Define an overall technical architecture that ensures modular components will work together to support Medicaid business operations
- An acquisition approach, roadmap and detailed plan recommending the optimal sequence for procuring and implementing components
- Develop a request for proposal to solicit modular solutions meeting Oregon requirements, and a request for proposal to solicit system integrator services
- An policy option package in the 2019-2021 Agency Request Budget for implementation
- Quality assurance throughout the planning and implementation lifecycle to help manage project risk through the review of project related processes and deliverables

2. WHY DOES DHS/OHA PROPOSE THIS POP?

This POP provides the funding match necessary to secure 90 percent enhanced federal funding from CMS to support the planning efforts outlined above. A rigorous planning process is necessary to ensure Oregon's roadmap meets CMS requirements, considers continued stability of the existing mission-critical MMIS system during the planning and implementation, and supports Oregon's health care transformation.

It is essential that OHA and DHS begin planning efforts now. Planning and implementation are expected to take five years. OHA's current contract with the existing MMIS solution provider is undergoing a five-year extension, which will expire by the year 2022. Oregon needs to be prepared to start implementation with enough lead-time before that extended contract expires.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

CMS currently funds maintenance and operational costs of the MMIS system at a 75 percent Federal Fund match rate. Oregon General Funds are used for the state's 25 percent portion. Annually, the contract for supporting MMIS totals over $20 million with Oregon contributing approximately $5 million. CMS has

recently indicated that continued eligibility for this level of federal funding depends on compliance with CMS mandates and evidence of a state's commitment to a thorough planning effort supporting a modular future state. Oregon risks loss of CMS enhanced funding for maintenance and operations, which would result in the state assuming 100 percent of responsibility to fund operations and maintenance of the MMIS with General Funds.

CMS recognizes that shifting to a modular environment will require careful planning and incremental implementation over several biennia. CMS is supportive of Oregon's intent to leverage a strategic technology consultant to aid the planning efforts and has signaled that it would provide enhanced federal funding at the 90 percent level to support these efforts. This translates into substantially lower investment costs for Oregon to transform its existing Medicaid systems. Access to enhanced funding will allow Oregon to incrementally implement modular solutions over the next five to seven years while shouldering only 10 percent of the primary costs and 25 percent of any hardware expenditures. At an anticipated total cost of $150 million, the estimated cost in Oregon General Funds will be under $20 million.

4. IS THIS POP TIED TO AN OHA OR DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?

Although this POP does not tie to a DHS performance measure directly, success will be measured by having a strategy that reduces both DHS and OHA's dependency on a single MMIS vendor, supporting overall health care transformation. For OHA, this POP ties to KMP #31, OHA's triple aim measure.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Two alternatives were considered:

1. Do nothing – continue to extend the existing support contract with HPE.
   - The current MMIS was implemented with a maintenance and operations contract of five years with a three-year extension for a total of eight years. Those eight years end February 27, 2017. OHA is seeking an extension of three years with an optional two-year extension to develop and execute the modularization plan.
   - While CMS is supportive of Oregon's need for time and funding to plan for the future, they will not be supportive if Oregon does not demonstrate a commitment to plan and execute a solution that complies with CMS mandates. Non-compliance with CMS mandates will lead to significant negative financial ramifications for Oregon – doubling of the general funds needed for existing maintenance and operations costs and loss of enhanced funding for enhancements or renewal of the system.
   - OHA and DHS have several Medicaid sub-systems not currently integrated with the core MMIS[1]. Maintaining the current state leaves Oregon with siloed Medicaid systems and misses the opportunity to update and streamline Medicaid-related functions.

2. Develop and issue a procurement RFP without the support and planning efforts outlined above.
   - Oregon could choose to skip doing its own planning efforts and adopt the planning approach of another state, leveraging their planning outcomes and RFP to procure new solutions. While this approach would save less than $100,000 in General Funds for the cost of a consultant strategic technology advisor, choosing to circumvent an Oregon-specific planning effort will likely result in increased project risk through lack of a cohesive roadmap and executable plan to meet Oregon's needs. It is also likely the solutions used by another state either would require substantial

[1] Includes Customer Employed Provider (CEP), Express Payment and Reporting (eXPRS), Relational Statewide Accounting & Reporting System (RStars) and Oregon Automated Computer Capture Storage System (Oregon Access).

modifications to address Oregon requirements or significant business process and operational workflow reengineering.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

- Potential significant financial impact due to loss of CMS enhanced funding support for maintenance and operations. The current annual maintenance and operations cost is approximately $20 million per year. CMS funds 75 percent or approximately $15 million. If Oregon lost CMS enhanced funding, the federal funding level will drop from 75 percent to 50 percent. This would increase Oregon's General Fund expenditures for annual maintenance and operations from $5 million to $10 million per year.
- Potential significant financial impact due to loss of CMS enhanced funding support for system change requests and for major enhancement projects. System change requests average $10 million annually. Major enhancement projects range between $5 million and $20 million. CMS currently pays 75 percent of the cost of system change requests and 90 percent of the cost of major enhancements. If Oregon lost CMS enhanced funding, the federal funding level would drop to 50 percent. This would increase Oregon's typical annual general fund change request and enhancement projects cost from under $4 million to over $11 million
- Lost opportunity to develop a modern, sustainable and scalable Medicaid support system for Oregon
- Lost opportunity to leverage CMS enhanced 90 percent funding for future replacement of Medicaid supporting technology. In five more years, the current MMIS solution will be 13 years old and will be past its expected lifespan. The typical cost to replace MMIS systems is in the $110-150 million range. Without enhanced funding, the general fund share of a replacement would be $55-75 million, compared to $11-15 million.
- Lost opportunity to negotiate competitive maintenance and operations vendor support as a result of increased competition. The current contract with HPE for maintenance and operations increases by 2 percent annually.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Coordinated Care Organizations will be positively affected by this POP. A modular system built for a capitation model would address current system challenges in supporting CCOs. Tribes could be positively affected as this will improve the system they use to submit claims to OHA for payment.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

The Oregon Health Authority Health Systems Division, the coordinated care organizations, tribal providers, DHS Aging & People with Disabilities, DHS Developmental Disabilities, and Oregon State Hospital all support this POP. All of these entities are stakeholders and users of the current MMIS and will benefit from modularization.

10. WHAT IS YOUR EQUITY ANALYSIS?

Strategic planning activities will better allow OHA and DHS to include all stakeholders in the planning for the replacement, including the OHA Office of Equity and Inclusion and the DHS Office of Multicultural Services.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation date(s):

Pre-planning will start in 2016-2017; planning and procurement activities will occur through the 2017-2019 biennium and implementation of modular components will begin in the 2019-2021 biennium.

End date (if applicable):

The transition to a modular architecture is currently estimated to require at least three years of initial implementation and may require up to five years to be fully realized. End date ranges from 2022 to 2024.

a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.

☒ Integrating existing disparate systems into a more comprehensive Medicaid modular solution set will require engagement and support of program and policy resources for DHS and OHA together. Governance overseeing prioritization of system changes will need to be informed by program or system impacts.
☒ Contract administration of multiple implementation and then on-going maintenance and operations support performed by different solution vendors will be far more complex than it is today. This will require additional dedicated resourcing to support and manage effectively.

b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.
Yes. Until the MMIS environment is fully modularized and the existing monolithic system replaced, additional funding will be needed to continue support of the existing system, hardware, software and resources.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.
No changes anticipated.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.
New staff will be necessary to support this effort. Because this is expected to span for five years or more, permanent positions are requested to support and manage modularization efforts, leaving existing resources in place to continue their work supporting on-going maintenance and operations.

The level of new staffing is modest, although the need for permanent positions will continue beyond full implementation. The new environment will require more resources to manage multiple contracts, provide oversight and support for governance efforts, ensure interfaces and integration integrity are sustained and support emerging opportunities to capitalize on the modular environment.

Proposed staffing:

Personal Services	Position Type	Classification	Duration
Project Director	PEM F (I) MS	35x	P
Medicaid Program Architect	OPA4 MMN	32	P
Contract Administrator	OPA4 MMN	32	P
Senior Analyst	OPA4	32	P
Analyst - BSA	OPA3	30	P
Analyst - BA	OPA3	30	P
Analyst - BA	OPA3	30	P
Sr Project Manager	PM3	31	P
Project Coordinator	PM2	29	P
TOTAL			9

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

For 2017-2019, the primary costs are to support the planning efforts. They are estimated at $5.6 million total cost with a state General Fund cost of $367,739. In the 2019-2021 biennium, new solutions will be purchased and implemented using the services of one or more system integrators. Training of staff and other end-users will be necessary, communications and new materials will be needed to support adoption and business process changes to fully leverage the new solutions.

f. What are the ongoing costs?

Ongoing costs for operations and maintenance will be higher during the implementation cycles of this effort since the existing MMIS system will continue to be operational and will require continued support. Once Oregon has fully migrated to a new modular architecture, the ongoing vendor-related costs should be comparable to or less than the existing funds paid for maintenance and operations.

g. What are the potential savings?

DHS will have the potential to sunset several systems or portions of systems. This will ultimately yield savings and enable use of the technical staff who support those systems to support the new systems.

h. Based on these answers, is there a fiscal impact?

Yes.

TOTAL FOR THIS PACKAGE

Category	GF	OF	FF	TF	Position	FTE
Personal Services	0	$1,887,534	0	$1,887,534	9	9.00
Services & Supplies	$164,935	$129,205	$1,416,274	$1,710,414		
Special Payments	$202,239	$5,652	$1,825,239	$2,033,695		
Total	$367,739	$2,022,391	$3,241,513	$5,631,643	9	9.00

OHA - Fiscal Impact Summary by Program Area:

	Health Systems Division	Office of Information Services	OHA Statewide Assessments & Enterprise-wide Costs	Total
General Fund	$344,538	$0	$23,201	$367,739
Other Fund	$0	$2,022,391	$0	$2,022,391
Federal Funds- Ltd	$3,032,701	$0	$208,812	$3,241,513
Total Funds	$3,377,239	$2,022,391	$232,013	$5,631,643
Positions	0	9	0	9
FTE	0.00	9.00	0.00	9.00

What are the sources of funding and the funding split for each one?

The Other Funds in this Policy Option Package are non-add Other Funds limitation necessary to perform Office of Information Systems functions. The Federal Funds is Medicaid at Development match rate of 90/10.

Oregon Health Authority
2017-2019 Policy Option Package

Agency Name: **Oregon Health Authority (OHA)**
Program Area Name: **Health Systems Division/Office of Information Systems**
Program Name: **Health Systems Division/Office of Information Systems**
Policy Option Package Title: **Enhancement and Support Services for ONE System**
Policy Option Package Number: **406**
Related Legislation: **N/A**

Summary Statement:

The Centers for Medicare and Medicaid Services (CMS) offers funding for updating eligibility systems. This policy option package requests authority to fund enhancements to Oregon's Modified Adjusted Gross Income (MAGI) Medicaid eligibility determination system (called ONE). OHA has a contract with Deloitte Consulting—the systems integrator that built the ONE system—to continue to enhance it while maintaining and operating it. The plan is to update the system several times per year as prioritized by Health Systems Division. This POP also would support anticipated necessary changes when CMS issues new requirements for MAGI Medicaid eligibility systems.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing:	**$1,283,680**	**$0**	**$11,516,320**	**$12,800,000**

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP will allow Oregon to continue to contract with Deloitte Consulting as a system integrator to support the ongoing maintenance and operation of the ONE system. Its main focus is on supporting and enhancing the ONE system to better serve its users. These enhancements would include, for example:

- Updates to implement new CMS requirements such as security upgrades and account transfer changes
- Ongoing support of the OHP renewal and redetermination process
- Annual changes in the federal poverty level
- System changes requested by Member Services to eliminate manual workarounds or to further automate their work

2. WHY DOES DHS/OHA PROPOSE THIS POP?

This enhanced federal match would fund ongoing eligibility, maintenance and operation, and enhancement and support work. Existing funds cover the current eligibility work, but OHA requires additional funding to allow for the ongoing maintenance and operation of the ONE system and enhancements necessary to serve clients and coordinate their care. Without this funding, OHA's ability to use and maintain the ONE system to serve almost 1 million Oregonians through MAGI would be put at risk.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

This project would improve OHA's timely and effective determination and renewal of benefits, improving Oregonians' access to health care through Medicaid coverage. It also would improve effective use of state funds. This federal-state ratio of this enhanced funding is 90:10 for enhancements and 75:25 for maintenance and operation, rather than the normal 50:50 for administration. This would significantly reduce the amount of state General Funds necessary to make ongoing enhancements.

4. IS THIS POP TIED TO A DHS/OHA PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?

OHA tracks and reports on the accuracy, timeliness, and number of new applications and redeterminations processed. This POP allows the system and funding to continue this work and meet federal and state guidelines.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

The other option considered was for the Office of Information Services to take on the system's maintenance and operation. However, due to the rapid lack of position authority and specialized skills necessary to support some components of the system, this was not seen feasible without risk to the system. It would not be cost effective to add staff with the specialized skills and knowledge.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

OHA's ability to maintain and update the ONE would be put at risk due to reliance on General Funds for that ongoing work. Lack of maintenance and updates would place the state's Medicaid funding in jeopardy, placing at risk the health coverage of more than $1 million Oregonians.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

DHS, local governments that process eligibility, coordinated care organizations, and Medicaid providers who need to know if their patients are covered by OHP. This POP allows the system to operate, providing eligibility to Oregonians and data to MMIS and to approved providers.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

Department of Human Services

10. WHAT IS YOUR EQUITY ANALYSIS?

The ONE system was modified at initial implementation to support the REAL+D requirements and the enhancements will allow for better communication and equity measures as identified by the Office of Inclusion and Equity.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

This POP assumes the approval of the Advanced Planning Document and enhanced funding from CMS.

a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.

N/A

b. **Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.**
None anticipated.

c. **Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**
None anticipated.

d. **Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.**
Existing positions that were created in OIS to support modernization will be used to support this effort. Approximately 32 positions are involved in supporting the ONE system or working with DHS's integrated eligibility expansion to the ONE system.

e. **What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**
None.

f. **What are the ongoing costs?**
Costs for maintenance and operations of the ONE system average approximately $1.1 million per month. After the DHS' IE project enhances the ONE system to become Integrated ONE, total maintenance and operation cost will rise, but it will be a shared cost with OHA, resulting in a likely annual cost decrease.

g. What are the potential savings?
Enhanced funding and enhanced Medicaid match for eligibility determination**.**

h. Based on these answers, is there a fiscal impact?
Yes.

TOTAL FOR THIS PACKAGE

Category	GF	OF	FF	TF	Position	FTE
Services & Supplies	$1,283,680	0	$11,516,320	$12,800,000		
Total	**$1,283,680**	**$0**	**$11,516,320**	**$12,800,000**	**0**	**0.00**

OHA - Fiscal Impact Summary by Program Area:

	Health Systems Division - Admin	Total
General Fund	**$1,283,680**	**$1,283,680**
Other Fund	**$0**	**$0**
Federal Funds- Ltd	**$11,516,320**	**$11,516,320**
Total Funds	**$12,800,000**	**$12,800,000**
Positions	**0**	**0**
FTE	**0.00**	**0.00**

What are the sources of funding and the funding split for each one?
The Federal Funds is a mixture of Medicaid at Development match rate of 90/10 and Medicaid Admin rate of 50/50.

Oregon Health Authority
2017-2019 Policy Option Package

Agency Name: Oregon Health Authority
Program Area Name: Health Systems Division
Program Name: Oregon Health Plan
Policy Option Package Initiative: OHP Coverage for All Kids
Policy Option Package Title: N/A
Policy Option Package Number: 407
Related Legislation: N/A

Summary Statement:

This POP would provide the Oregon Health Plan (OHP) benefit package to children who do not qualify for full OHP benefits solely because they do not meet federal citizenship and immigration status requirements under Medicaid and the Children's Health Insurance Program (CHIP). Income eligibility would be up to 300 percent of the federal poverty level. Coverage would be for children through 18 years of age.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing:	$55,030,483	$0	$0	$55,030,483

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP supports Oregon families by covering all low-income children regardless of immigration status through the Oregon Health Plan. The intent is to enroll them in coordinated care organizations (CCOs).

Currently, children who are ineligible for the Oregon Health Plan due to immigration status can receive coverage only through the Citizen Alien Waived Emergent Medical (CAWEM) program, which provides coverage for life-threatening medical emergencies that are treated in an emergency department. CAWEM is a federally funded program. On average, nearly 6,000 children have been enrolled in CAWEM in 2015-2016.

This POP will cover the cost of providing full Medicaid benefits to children through 18 years of age who are otherwise eligible except for immigration status. The coverage and benefits will be identical to those provided to children currently eligible for federal Medicaid and Children's Health Insurance Program (CHIP) coverage in Oregon. Children would still need to qualify for coverage through an income assessment that places them below 300 percent of the Federal Poverty Level, which would mirror Oregon's existing eligibility requirements for OHP.

The Oregon Health Plan program is, governed and funded in part by federal Medicaid program rules. Due to federal restrictions in the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, undocumented immigrants are barred from participation in any federally funded assistance programs. However, states are able to fund these assistance programs with state dollars, without any federal match. The Centers for Medicaid and Medicare Services (CMS) currently funds 75 percent of the maintenance and operational costs of Oregon's MMIS system. With this program, Oregon would need to fund 100 percent of all costs attributed to determining eligibility and enrolling the new coverage population into OHP. In addition to expanding the Oregon Health Plan to all low-income children in Oregon, this POP will also provide funding for any staff needed for program operations.

As requested in SB 5701 (2016 regular session), the Oregon Health Authority is currently planning for development of a program that would allow for enrollment of all children, regardless of immigration status, in the Oregon Health Plan through the ONE Eligibility System. From a consumer perspective, there would be no discernible difference when enrolling in OHP. Internally, these populations would need to be distinguished in order to correctly allocate federal and state funding sources.

2. WHY DOES OHA PROPOSE THIS POP?

The Oregon Health Authority requests this funding to ensure that all children in Oregon, regardless of immigration status, have access to health care. Building on the success of Oregon's Healthy Kids initiative in 2009, which expanded OHP coverage to more than 100,000 children; the Medicaid expansion in 2014; and success of the state's 16 CCOs and the coordinated care model, the state is well positioned to expand coverage to the remaining children that are still uninsured due to federal law. Providing health insurance benefits to children can have a significant impact on Oregon's future economy and society. California, Illinois, Massachusetts, New York, Washington, and the District of Columbia have extended health insurance benefits to all eligible children aged 0-18 years. Evidence indicates that children who receive coverage benefit in ways that go beyond health improvements, including improved social and emotional functioning and better educational outcomes.[1] Children with health insurance coverage do better in school and miss fewer school days[2] [3], are more likely to graduate high school and go to college[4], have fewer emergency room visits and hospitalizations as adults[5], and earn more money as adults[6].

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[1] Kaiser Family Foundation Issue Brief: "The Impact of Children's Health Insurance Program (CHIP): What Does the Research Tell Us?" (2014) http://kff.org/report-section/the-impact-of-the-childrens-health-insurance-program-chip-issue-brief/

[2] The Healthy Families Program Health Stats Assessment (PedsQL) Final Report," Managed Risk Medical Insurance Board, (2004);

[3] Yeung, R. et al., "Can Health Insurance Reduce School Absenteeism?," Education and Urban Society (2011), http://eus.sagepub.com/content/43/6/696

[4] Cohodes, S., et al., "The Effect of Child Health Insurance Access on Schooling: Evidence from Public Insurance Expansions," National Bureau of Economic Research (2014)

[5] Wherry, L. R., et al., "Childhood Medicaid Coverage and Later Life Health Care Utilization," National Bureau of Economic Research (2015), www.nber.org/papers/w20929.pdf

[6] Brown, D. W., et al., "Medicaid as an Investment in Children: What is the Long-Term Impact on Tax Receipts?," National Bureau of Economic Research (2015), www.nber.org/papers/w20835.pdf.

Most of these children can receive health services only through an often fragmented system of safety net clinics. Federally qualified health centers (FQHCs), some school-based health centers, community health clinics and free clinics are the only reliable place for many children to receive care in Oregon. Although these clinics provide vital support by truly acting as a "safety net," many are under-resourced or under-staffed, cannot provide care beyond primary physical health care, and have limited hours. Most do not provide oral and dental health care, behavioral or mental health care, vision care, pharmacy support, or any specialist care.

This program is a necessary step to reduce the statewide uninsurance rate. It would provide essential services to one of Oregon's most vulnerable populations: children. Currently, children who are undocumented immigrants cannot participate in any state-funded assistance programs, even if they would otherwise qualify. The benefits package provided to this new population would be identical to the benefit package currently provided to children on OHP. Work is already underway to design and develop the program in the Medicaid Management Information System (MMIS) so that any funding from this POP can immediately go to implementation.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS?

Oregon is in the midst of significant health system transformation, guided by a vision of improving health for all Oregonians. The agency's mission is: "helping people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to quality, affordable health care."

Oregon has been at the forefront of innovation since the creation of the Oregon Health Plan in 1994. Since then, it has created the Oregon Health Authority and a statewide network of organizations, implemented an 1115 waiver and a substantial State Innovation Model, expanded Medicaid, and significantly lowered the uninsurance rates across the state. Even so, thousands of children remain uninsured. Funding would ensure access to care and help set up some of Oregon's most vulnerable children for a lifetime of better health and well-being.

Oregon's health system transformation has focused on care coordination, which improves health outcomes and the quality of care, and can lower costs. These children are unable to experience coordinated care's benefits such as disease management, and the health system is unable to provide them with evidence-based care that could prevent future costs.

Finally, expanding coverage would allow OHA to directly address persistent health inequities experienced by some of Oregon's most vulnerable children, and immediately start to close a major gap in health equity between those who have access to health insurance and those who don't.

4. IS THIS POP TIED TO AN OHA PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL OHA MEASURE THE SUCCESS OF THIS POP? Although this POP is not directly related to specific performance measures. However, undocumented children covered through OHP would likely be enrolled in coordinated care organizations, which report quality and access test measures. Should this POP be implemented, these children would have an impact on the following measures:

- Adolescent well-care visits
- All-cause readmissions
- Ambulatory care: emergency department utilization
- Child and adolescent access to primary care practitioners
- Childhood immunization status
- Dental sealants
- Developmental screening in the first 36 months of life
- Immunization for adolescents
- Timeliness of prenatal care: prenatal and postpartum (if the mother is under age 19)
- Well child visits in the first 15 months of life

Hospitals could potentially see fewer undocumented children in the emergency departments, assuming that these children would be able to more readily access primary care and preventive care services.

Because this POP would create a distinct program (from a state regulatory perspective), it will be possible to track health outcomes and health care claims for this population, allowing for robust data analysis that can be useful in measuring the success of this POP.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

Yes. A change is required to ORS 414.231(3), which states that "a child is eligible for assistance under subsection (2) of this section if the child is **lawfully present** in this state and…" This POP would require that the statute language be changed to allow all children, regardless of immigration status, to be eligible for coverage.

The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 8 USC section 1621(a) provides that an alien who is not (1) a qualified alien as defined by 8 USC section 1641, (2) a nonimmigrant under the Immigration and Nationality Act (8 USC 1101 et seq), or (3) an alien who is paroled into the US under section 212(d)(5) of such Act (8 USC 1182(d)(5) for less than one year, is NOT eligible for any state or local public benefit (as defined by 8 USC section 1621(c)). There are, however, certain exceptions to this prohibition. The relevant exception for this POP is 8 USC section 1621(d) which provides:

"A State may provide that an alien who is not lawfully present in the United States is eligible for any State or local public benefit for which such alien would otherwise be ineligible under subsection (a) of this section only through the enactment of a State law after August 22, 1996, which affirmatively provides for such eligibility."

Thus, in order to cover all children in Oregon, the state legislature would need to "affirmatively provide" for such eligibility.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Without new funding, OHA has no alternatives.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

- Missed opportunity to improve equity for children in Oregon; 2 percent of Oregon's children would remain uninsured and unable to access most health care services including behavioral, mental, oral and dental, vision, pharmacy, and specialty services, beyond those available in the limited safety net system.
- Missed opportunity to improve the health of thousands of children in Oregon, including in ways that could have direct impacts on other children (e.g., attending school while sick or being out of date with the recommended vaccination schedule).
- Missed opportunity to improve the well-being and future educational attainment of uninsured children in Oregon, who will continue to have inconsistent health care and will suffer the consequences by missing school days and having trouble focusing in school while sick.
- FQHCs, free clinics, school-based health centers, and other community based clinics that currently provide services would not be able to rely on reimbursement for services. Beyond reimbursement, it can be especially challenging to provide coordinated care for these children due to their inconsistency in visiting the doctor or in being connected to the system.
- Missed opportunity to improve care coordination, case management and disease management for these children, all of which can lead to future cost savings.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

A number of local government agencies, non-profit and private organizations would be affected by the POP. In Oregon, the state's health care safety net provides primary care services to undocumented children who are

not eligible for any federal or state funded coverage programs. A sizable portion of the Oregon's safety net providers are community clinics and federally qualified health centers operated by local area health authorities. County health agencies and school-based health centers, which offer primary and preventive services, would be able to receive financial reimbursement for these services. They also would be able to coordinate among local health care and specialty providers to ensure children receive coordinated, comprehensive health care services. Similarly, a number of health care service providers including migrant health clinics and non-profit health care organizations would be able to receive reimbursement for health-related services. And these organizations would be able to expand service delivery beyond primary care to include behavioral, oral, and ancillary care as well as care coordination and case management services, particularly for children with special health care needs.

If this program offers OHP benefits to these children through the CCOs, the CCOs and their network of providers and community-based partnerships across the state would be affected.

The Department of Education may see improvements in absenteeism rates and high school graduation rates, both of which have been positively linked to children who have health insurance coverage.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

Within the Oregon Health Authority, this POP has been jointly proposed by the Health Policy and Analytics Division, the Health Systems Division, the Chief Financial Office, Division of Equity and Inclusion, and the Public Health Division.

10. WHAT IS YOUR EQUITY ANALYSIS?

This POP would offer a significant improvement in health inequities facing low-income, undocumented immigrant children in Oregon. Children in this population have very little control over their circumstances and often have to suffer the consequences of decisions made by adults. Expanding OHP to all children in Oregon would be a step toward helping these children achieve greater success during their lifetime.

Covering all children in Oregon through this POP also would significantly improve OHA's data collection and analysis capability. Knowing more about the health needs and utilization patterns of these children can help to improve access and care, and ensure that Oregon is on track toward improving the health of all Oregonians. OHA will be able to use REAL+D data to track inequities in health outcomes for this specific population and determine how their health outcomes change over time after children are covered.

Health equity for specific populations will be tracked in OHA's new 1115 Waiver renewal submitted to the Centers for Medicare and Medicaid Services (CMS) for review in the summer of 2016. Undocumented children could be one of the specific populations tracked, which would allow for even greater understanding of any disparities experienced by children in Oregon.

This POP also would support the Oregon Health Authority's Health Systems Division in ensuring that outreach activities to this population are culturally and linguistically appropriate.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

The pricing was based on a gradual increase of caseload that would cover a total of 14,928 children by the end of the biennium, with a monthly biennial average of 12,239. Pricing assumptions were based on what Medicaid currently pays for OHP-eligible children minus $187 per member per month for emergent care. States that have expanded benefits to this same population have seen actual costs that were less than projected. OHA is continuing to research this experience and as more is known, will share this information as requested. The expansion requires two human services specialists at 0.5 FTE.

Implementation Date(s): July 1, 2017

End Date (if applicable): N/A

a. Will there be new responsibilities for OHA? Specify which Program Area(s) and describe their new responsibilities.
Health Systems Division would be responsible to implement this new program as an added population to those covered under the Oregon Health Plan.

b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected. See Addendum A – Shared, OIS and Central Offices Services LC/POP Impact Questionnaire.
No.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.
This POP is projected to increase the OHP caseload by a biennial average of 12,239 children.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.
The expansion requires two permanent human services specialists at 0.5 FTE.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?
The POP includes staffing costs for the initial eligibility determination for the expansion of OHP.

f. What are the ongoing costs?
The costs associated with the ongoing health benefit coverage for this OHP expansion population.

g. What are the potential savings?
OHA would not incur savings.

h. Based on these answers, is there a fiscal impact?

Yes – see below chart for detail of projected costs associated with the Special Payments.

CAWEM kids expansion estimates

		Up to 300% FPL			
		Total	**Ages 0-1**	**Ages 2-5**	**Ages 6-18**
Biennial Avgs 2017-19		**12,239**	**388**	**1,683**	**10,168**
PMPM *			$607	$162	$182
Total Cost w/ total PMPM:	$192	$56,483,828	$5,652,805	$6,527,791	$44,303,232
Reduced by Current cost of Emergent:	$5	$1,521,537	$48,215	$209,257	$1,264,065
Current cost of State Share:	$187	$54,962,291	$5,604,590	$6,318,534	$43,039,167

TOTAL FOR THIS PACKAGE

Category	GF	OF	FF	TF	Position	FTE
Services & Supplies	$68,192	0	0	$68,192		
Special Payments	$54,962,291	0	0	$54,962,291		
Total	**$55,030,483**	**$0**	**$0**	**$55,030,483**	**0**	**0.00**

OHA - Fiscal Impact Summary by Program Area:

	Oregon Health Plan-Cover all kids	Total
General Fund	**$55,030,483**	**$55,030,483**
Total Funds	**$55,030,483**	**$55,030,483**
Positions	**0**	**0**
FTE	**0.00**	**0.00**

Oregon Health Authority
2017-2019 Policy Option Package

Agency Name:	**Oregon Health Authority (OHA)**
Program Area Name:	**Health Systems Division and Health Policy and Analytics Division**
Program Name:	**Medicaid**
Policy Option Package Title:	**Oregon Health Plan Demonstration (Waiver) Renewal**
Policy Option Package Number:	**408**
Related Legislation:	**N/A**

Summary Statement:

The Centers for Medicare & Medicaid Services (CMS) granted Oregon its initial section 1115 demonstration waiver to implement the innovative Oregon Health Plan (OHP) more than two decades ago. The initial demonstration phased in coverage beginning in 1992. CMS approved Oregon's current section 1115 demonstration in 2012. It began Oregon's groundbreaking health system transformation through the coordinated care model. The current demonstration ends June 30, 2017.

This POP requests state funds to continue and expand Oregon's existing demonstration under Section 1115(a) of the Social Security Act. The demonstration renewal will continue to operate statewide, covering approximately 1.1 million Oregonians who now receive benefits through the OHP. The state seeks to renew this demonstration for July 1, 2017, through June 30, 2022, so Oregon can take health system transformation to the next level through targeted changes of Medicaid and CHIP programs. These changes will allow the state to meet its overall goals that are aligned with the triple aim to improve patient experience, improve health, and reduce costs.

Not funding this POP will risk Oregon's ability to support the activities of the waiver renewal and secure federal financial participation funds necessary to fund the OHP.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing:	**$58,116,974**	**$18,900,000**	**$209,497,196**	**$286,514,170**

1. **WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?**
   This POP funds three program changes that are part of the Application for Amendment and Renewal of the Oregon Health Plan 1115 Demonstration with Center for Medicare & Medicaid Services (CMS): breakthrough drugs, duals opt-in, and the Coordinated Health Partnership (CHP) program.

   Activities this POP will fund include:
   - Paying for expensive medical "breakthrough" drugs that will be outside of the annual 3.4 percent sustainable rate of per capita growth for the 2017-2019 Medicaid budget. These costs will be outside the growth rate because future breakthrough drug therapy development is not predictable. Therefore, the cost of these drugs cannot be accurately included in the budgets for coordinated care organizations (CCOs) or the fee for service program.
   - Funding the one-time cost to move Oregon Medicaid members who also are eligible for Medicare ("dual-eligible") from fee-for-service to CCOs. This move will decrease costs and improve care coordination and outcomes for dual beneficiaries over time.
   - Funding the state's share of the Coordinated Health Partnership (CHP) program over the five years of the waiver. These dollars will support the development of pilot programs conceived through extensive input from community partners, the public, and local and state agencies. The CHP pilots will reduce the Medicaid costs of the Oregon Health Plan's most at-risk members by providing coordinated care

transitions from institutions to community and providing housing supports and services. The investment of state dollars will allow for federal match and develop substantial medical savings over time.

2. WHY DOES OHA PROPOSE THIS POP?

Breakthrough drugs: This POP would provide funding for the expected high costs of so-called medical breakthrough drugs, such as drugs for Hepatitis C. The cost of these drugs will exceed the sustainable rate of 3.4 percent per capita growth and the so-called 2 percent test that are part of the proposed1115 demonstration waiver that is being reviewed by CMS at this writing. Many high-cost breakthrough drugs have been developed over the past few years and more are expected. Pending waiver approval from CMS, any new therapies will be excluded from the 2 percent test. The goal of the 2 percent test is to hold the growth of Oregon's Medicaid per capita spending to at least 2 percent below the assumed national growth rate of 5.4 percent per year. In line with the proposed waiver, Oregon assumes an inflation rate 3.4 percent per year for the 2017-2019 Medicaid budget, which does not include new breakthrough therapies.

CCO opt-out: This POP will pay for costs associated with moving dual-eligible Oregon Health Plan members into coordinated care.

Some Oregon Health Plan (OHP) members who are in the Aid to Blind and Disabled (ABAD) and Older Americans Act (OAA) eligibility groups have dual coverage under Medicare and Medicaid. The Legislature originally intended those dual eligible members be included in new coordinated care organizations as outlined in HB 3650. However, during the current demonstration, dually eligible individuals must opt in to CCOs. Members who do not opt in receive services on a fee-for service (FFS) basis. Preliminary assessment has confirmed that costs and care outcomes are better for dual beneficiaries enrolled in CCOs. The waiver renewal being considered by CMS includes a provision to automatically enroll all dual eligible individuals into a CCO unless the individual actively chooses not to enroll and notifies the state of this choice.

It is assumed that 95 percent of the dual eligible OHP members in the ABAD and OAA eligibility groups who currently receive care on a FFS basis will not choose to opt out of CCO enrollment. When an OHP member moves from FFS to a CCO, there is a brief period when claims submitted under FFS coverage are being paid at the same time that a CCO is receiving capitation payments for that member. This results in payments made for both FFS claims and CCO capitation payments. This results in a one-time cost totaling two months of CCO capitation payments per member.

Coordinated Health Partnership: This POP provides the funding match necessary to secure enhanced federal funding from CMS to support the Coordinated Health Partnership (CHP) program as proposed in the waiver renewal. The CHP program promotes population health and further addresses social determinants of health. Oregon proposes to create a five-year pilot program that funds homelessness prevention, care coordination and supportive housing services for at-risk adults, families, and adults who are eligible for both Medicare and Medicaid. Oregon will pilot locally governed models, referred to as CHPs, for our most at-risk populations using a combination of housing, health care integration, and transitions and supportive services to reduce Medicaid costs and improve health outcomes.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

The three program changes are essential to continue Oregon's ground breaking coordinated care model and move health system transformation to the next level.

By funding breakthrough drug therapies outside of the sustainable rate of growth, OHA will be in a position to better manage the 3.4 percent annual budget increase and meet the commitment of the 2 percent test through the 1115 demonstration waiver.

By funding the dual eligible transition to care through CCOs and the CHP, the Medicaid budget will realize long term savings and better outcomes through providing more coordinated care to the most at-risk OHP members.

4. **IS THIS POP TIED TO AN OHA PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL OHA MEASURE THE SUCCESS OF THIS POP**?
   Yes, this POP is tied to the OHA performance measure of maintaining the 2 percent test as required under OHA's 1115 demonstration waiver with CMS.

5. **DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.**
   No.

6. **WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?**
   The alternative for the breakthrough drug funding would be to maintain the current budget increase of 3.4 percent for the 2017-2019 biennium and 2 percent test within the 1115 demonstration waiver with the breakthrough drug costs included. The costs are significant enough that cuts would have to come from reductions in services for Medicaid members or eligibility for OHP.

   Without the dual eligible transition to care through CCOs and the CHP, health system transformation will not move to the next level. Care coordination, outcomes, and overall spending for OHP's most at-risk members will not improve.

7. **WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?**
   Not funding this POP will risk OHA's ability to maintain the current budget at a 3.4 percent per capita rate of growth. This would create a risk of cuts in services for OHP members or restricted OHP enrollment. Such cuts would affect the health care coverage for thousands, perhaps hundreds of thousands, of low-income Oregonians.

Not funding this POP will risk Oregon's ability to support the activities of the waiver renewal and secure federal financial participation necessary to fund the OHP. Additionally, savings and improvements in stable housing, care coordination, and outcomes will not be realized for OHP's most at-risk members (dually eligible and members who are homeless or at risk of homelessness).

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

OHA has developed coordinated health partnerships in collaboration with local and state housing agencies and county public health agencies. These partnerships will allow Oregon to leverage federal dollars to fund housing through housing authorities and fund housing supportive services through OHA and the 1115 demonstration waiver. Additionally, the nine federally recognized tribes have expressed interest in creating one or more tribal CHPs to provide more coordinated care and housing supports and services for tribal members.

The dual eligible transitions to CCOs will reduce the number of dual-eligible members on FFS. Better care coordination for these members will lead to better coordination of services with DHS programs. This coordination will lead to lower costs overall for both OHA and DHS.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

The development of coordinated health partnerships has been and will continue to be in collaboration with local and state housing agencies, county public health agencies, county corrections, county governments, local community-based organizations focusing on equity, hospitals, Oregon State Hospital, Oregon's nine federally recognized tribes, and coordinated care organizations.

The dual eligible transitions to CCOs program has been developed and will continue to be in collaboration with DHS APD and with input from long-term-care stakeholders.

10. WHAT IS YOUR EQUITY ANALYSIS?

Funding this POP will support the 1115 demonstration waiver renewal in improving health equity for Oregon's most at-risk members through the development of the CHPs and the dual eligible transitions. The tribes, Office of Equity and Inclusion and other community stakeholders will continue to be an integral part of the development of these programs.

Funding the breakthrough drugs will allow OHA to continue to provide comprehensive services to all eligible OHP members and for Oregon to maintain health care coverage for nearly 95 percent of Oregonians.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

The pricing consists of three programs that are included in the waiver negotiations with Centers for Medicare & Medicaid Services (CMS): breakthrough therapies, duals opt-out, and the Coordinated Health Partnership (CHP) program.

The breakthrough therapies pricing is based on the January 2016 coordinated care organization rates for Hepatitis C with a 10 percent administrative factor added. We are estimating a 12-month impact due to new therapies needing adequate implementation time.

The pricing for the duals opt-out assumes that this change will result in a one-time cost totaling two months of CCO capitation payments. This pricing assumes this policy change will be implemented over a five-year period starting in 2017. The pricing assumes 5 percent of dual eligibles will opt out of CCO enrollment.

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The CHP program was priced using "costs not otherwise matchable" (CNOM) funding, upon approval from CMS. CNOM matching would be used to fund housing supports, which would provide $19 million in Other Funds for the CHP program, for a total of $52 million Total Funds available for the program per biennium.

Implementation Date(s): July 1, 2017

End Date (if applicable): June 30, 2022

a. Will there be new responsibilities for OHA? Specify which Program Area(s) and describe their new responsibilities.

☒ Implementing the dual eligible transitions to CCOs will require engagement and support of program and policy resources for DHS and OHA together to change the enrollment algorithm for dual eligibles and to provide an opt-out process that includes communications to affected members.

☒ Implementing the CHPs will require engagement and support of program and policy resources for OHA to administer the program. This will include developing criteria for selecting pilots, approving pilot programs, providing technical support, providing supports for HIT, potentially changing billing practices for CHP programs, coordinating with state and local agencies and making payments to CHPs for infrastructure building.

☒ Implementing the breakthrough therapy exclusion from the budget will require creation of a concrete, operational definition of breakthrough therapies.

b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.
No changes anticipated.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.
No changes anticipated.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.
Staff will be needed to implement the dual eligible transition and the CHP program; however, this POP does not include a request to fund staff. Existing staff will administer and implement the programs.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?
There are no specific start-up costs identified for this POP.

f. What are the ongoing costs?
Any ongoing costs associated with this POP are assumed to exist within existing workloads.

g. What are the potential savings?
The cost of the POP is not offset by any savings, but the CHP program could generate savings through better health outcomes.

h. Based on these answers, is there a fiscal impact?
Yes.

TOTAL FOR THIS PACKAGE

Category	GF	OF	FF	TF	Position	FTE
Special Payments	$58,116,974	$18,900,000	$209,497,196	$286,514,170		
Total	**$58,116,974**	**$18,900,000**	**$122,106,261**	**$286,514,170**	**0**	**0.00**

OHA - Fiscal Impact Summary by Program Area:

	HSD: Breakthrough Therapies	HSD: Duals Opt-In	HSD: CHP	Total
General Fund	**$28,161,238**	**$26,924,867**	**$0**	**$58,116,974**
Other Fund	**$0**	**$0**	**$18,900,000**	**$18,900,000**
Federal Funds- Ltd	**$76,422,891**	**$95,029,846**	**$32,951,822**	**$122,106,261**
Total Funds	**$104,584,129**	**$121,954,713**	**$51,851,852**	**$286,514,170**

What are the sources of funding and the funding split for each one?

The Federal Funds is Medicaid. “Costs not otherwise matchable” (CNOM) funding, upon approval from CMS, would be used to fund housing supports, which would provide $19 million in Other Funds for the CHP program, for a total of $52 million Total Funds available for the program per biennium.

Oregon Health Authority
2017-2019 Policy Option Package

Agency Name:	**Oregon Health Authority**
Program Area Name:	**Public Health Division Center for Public Health Practice and Center for Public Health Protection**
Program Name:	**Oregon State Public Health Laboratory and Health Care Regulation and Quality Improvement**
Policy Option Package Title:	**Public Health Fee Changes**
Policy Option Package Number:	**409 Part A**
Related Legislation:	**Legislative Concept 26**

Summary Statement:

Oregon Environmental Laboratory Accreditation Program (ORELAP) fee changes:
This POP requests ratification of the ORELAP fee establishments and increases that were adopted in June 2016. Fee authority is authorized under ORS 438.620, ORS 475B.560 and implemented under OAR 333-064-0060.

Newborn screening fee change:
This POP requests approval to increase the newborn screening fees. The fee increase will allow all Oregon newborns to be tested for the current panel of disorders, as well as two additional disorders that were recently added to the recommended panel, and improve cystic fibrosis screening. Fee authority is authorized under ORS 431A.750, ORS 433.285 and implemented under OAR 333-024-0240.

Health care facility construction plan review fee changes:
This POP requests fee increases for construction plan review fees for certain health care facilities licensed by OHA or DHS. Fee authority is authorized under ORS 441.060 and implemented under OAR 333-675-0050.

Hospice and in-home care licensing fee changes:
This POP requests increases for annual hospice agency licensure fees and in-home care agency licensure fees to fund personal services and operating expenses for inspection, licensure, and complaint investigation. Fee authority is authorized under ORS 443.860 and ORS 443.315.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing:	**$0**	**$964,062**	**$0**	**$964,062**

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

Oregon Environmental Laboratory Accreditation Program (ORELAP) fee changes:
This POP requests ratification of the ORELAP fee establishments and increases that were made in Oregon Administrative Rule (OAR) in June 2016. The ORELAP fee changes have allowed the program to accredit cannabis testing labs under ORS 475B.550 to 485B.590, establish additional technologies that labs can be accredited for, and increase fees on out-of-state labs. No new services are proposed and no new position authority is requested.

Newborn screening fee change:
The Oregon State Public Health Laboratory (OSPHL) newborn screening tests to prevent metabolic disorders detectable at birth. This POP increases test fees. It will allow the lab to continue to test Oregon newborns for the current panel of disorders, as well as improve cystic fibrosis screening and add two other disorders that were recently added to the recommended panel. No new position authority is requested.

Health facility construction plan review fee changes:
ORS 441.060 directs the Health Care Regulation and Quality Improvement program (HCRQI) to review proposals to alter, expand or build certain types of health care facilities licensed by the Oregon Health Authority or the Department of Human Services prior to construction. These construction plans are reviewed for compliance with applicable state licensure requirements and federal National Fire Protection Association (NFPA) standards if the facility is to be Medicare or Medicaid certified. This POP increases construction plan review fees. It will allow HCRQI to continue to meet its statutory mandate to review and approve health care facility construction plans in a timely manner. No new services are proposed and no new position authority is requested.

Hospice and in-home care licensing fee changes:
HCRQI also is responsible for the licensure, inspection, certification, complaint investigation and oversight of multiple non-long term care facilities, including those defined in ORS 442 and 443. This includes hospitals, ambulatory surgery centers, hospice agencies, in-home care agencies and home health agencies. This POP requests approval to increase annual hospice agency and in-home care agency licensing fees to support the current requirements defined in statute. No new services are proposed and no new position authority is requested.

2. WHY DOES OHA PROPOSE THIS POP?

Oregon Environmental Laboratory Accreditation Program (ORELAP) fee changes:
Ratification of the ORELAP fee changes enables the program to fulfill its legislative mandate and accredit cannabis testing labs.

Newborn screening fee change:
OSPHL uses Oregon newborn screening fees to cover the cost of providing this testing service. The current newborn screening fee does not cover the actual costs of providing current testing services and costs will increase with the addition of two disorders recently added to the recommended screening panel, plus improved cystic fibrosis screening. The program will not generate sufficient revenue to cover the cost of providing this testing service without the fee increase. The fee increase will cover the actual costs of providing the tests and bring the Oregon fee into better alignment with the amount other states charge for this service. The increase allows all Oregon newborns to be tested for the full panel of recommended disorders.

Health facility construction plan review fee changes:
The current health facility construction plan review fees do not cover the actual costs of providing these services. The increase will allow HCRQI to continue its timely review of health facility construction plans and assure that proposed health care facility construction projects throughout Oregon are not delayed.

Hospice and in-home care licensing fee changes:
HCRQI uses annual licensing fees to cover the direct cost of operational and administrative functions related to the regulation of hospice agencies and in-home care agencies. However, revenues generated from current hospice agency and in-home care agency licensure fees no longer support the cost of associated regulatory work.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

Oregon Environmental Laboratory Accreditation Program (ORELAP) fee changes:
ORELAP ensures that cannabis testing laboratories follow scientifically sound principles so that they produce correct test results. These results are used to ensure that cannabis products sold for both recreational and medical purposes are not contaminated by pesticides or solvents and that the product strength is correctly stated. This proposal will sustain the program's existing regulatory and oversight function.

Newborn screening fee change:
Newborn screening identifies conditions that can affect a child's long-term health or survival. Early detection, diagnosis and intervention can prevent death or disability. This proposal will ensure that this cost-effective early diagnosis continues to be available to all Oregon infants regardless of their ability to pay and that the fee structure supports actual operating costs.

Health facility construction plan review fee changes:
This proposal furthers the agency's mission by continuing to provide regulatory oversight of various health care facilities licensed by OHA or DHS. These activities directly improve the health and safety of all patients by ensuring that regulated facilities meet minimal physical environment standards, which directly affect patient safety and infection control. The proposal will ensure the program's regulatory and oversight functions continue at current service levels.

Hospice and in-home care licensing fee changes:
HCRQI furthers the agency's mission by providing regulatory oversight of prospective and licensed hospice and in-home care agencies. These activities directly improve the health and safety of all Oregonians receiving these services by ensuring that hospice and in-home care services are safe, equitable and comply with current regulatory standards. Oregon hospice and in-home care agencies provide services to some of our most vulnerable and fragile citizens. Most frequently those services are provided to clients in their most

private space: their homes. This proposal will sustain the program's regulatory and oversight functions at current service levels.

4. IS THIS POP TIED TO AN OHA PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL OHA MEASURE THE SUCCESS OF THIS POP?

This POP is not tied to OHA key performance measures. However, OHA can use several metrics to measure success including:

Oregon Environmental Laboratory Accreditation Program (ORELAP) fee changes:
Success will be measured by the number of cannabis testing labs that are accredited and can apply for licensure through the Oregon Liquor Control Commission.

Newborn screening fee change:
Success will be measured by providing testing for all recommended disorders and meeting standards for timely testing, analysis and reporting for Oregon newborn babies.

Health facility construction plan review fee changes:
HCRQI will measure the success of this POP by the percentage of construction plan review projects that satisfy state and federal construction and fire safety requirements.

Hospice and in-home care licensing fee changes:
HCRQI will measure the success of this POP by the percentage of completed surveys that satisfy applicable state and federal requirements.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

Oregon Environmental Laboratory Accreditation Program (ORELAP) fee changes:
No statutory change is needed. This fee change will continue through OAR 333-064-0060.

Newborn screening fee change:
No statutory change is needed. This fee change request will be implemented through OAR 333-024-0240.

Health facility construction plan review fee changes:
No statutory change is needed. This fee change request will be implemented through OAR 333-675-0050.

Hospice and in-home care licensing fee changes:
Yes, this fee change request will require statutory changes to ORS 443.860 and ORS 443.315.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Oregon Environmental Laboratory Accreditation Program (ORELAP) fee changes:
ORELAP considered adding the necessary technologies into the existing fee categories with no fee increase. This did not generate enough revenue to cover the additional expenditures associated with the work required to accredit cannabis testing labs.

Newborn screening fee change:
In addition to providing newborn screening for Oregon babies, the program contracts with a number of other states to provide these services. Fees to other states have been increased over the past 18 months as new contract periods were negotiated. The agency considered increasing other states' fees even more in order to avoid raising the Oregon fee. The agency rejected this because Oregon would not have remained competitive with other states that offer the service. Oregon receives the benefit of volume discounts by contracting with other states. This reduces the overall costs of the program and generates revenue that can defray laboratory

infrastructure and operations costs and enhance services to Oregonians. The program also rejected the idea of screening for fewer disorders or capping the number of disorders at current levels. Finding these disorders soon after birth can help prevent serious problems and it would not be fair to infants and their families to screen for fewer than the recommended number of disorders. Timely identification and intervention furthers Oregon Health Authority's triple aim of improving lifelong health of all Oregonians, increasing the quality of health care, and lowering the cost of care to ensure that it is affordable for everyone.

Health facility construction plan review fee changes:
HCRQI considered several alternatives in lieu of the proposed construction plan review fee increase, including: (1) Suspending all construction plan review services under ORS 441.060(2); (2) Imposing a limit on physical environment constraints applicable to regulated health care facilities; (3) Suspending on-site inspections of construction plan review projects; (4) Imposing a limit on the type of on-site inspections that the program would agree to investigate, and (5) All recommendations developed as a result of 2015 SB 886 post-legislative session stakeholder discussions. Each of these alternatives was determined to jeopardize the state's ability to ensure that regulated health care facilities meet minimum physical environment standards, which directly affect patient safety and infection control measures.

Hospice and in-home care licensing fee changes:
HCRQI considered the following alternatives: (1) Limiting the type of regulatory requirements reviewed during required relicensure and initial licensure surveys; (2) Limiting the type of complaint investigations that the program would agree to investigate; (3) Reducing the frequency of required relicensure surveys in violation of statutory requirements; (4) Reducing the frequency of complaint investigations; (5) Reducing the scope of regulatory activities performed for other types of health care facilities regulated by the program; and (6) Increasing travel and workload requirements for existing staff. The program determined that each of these alternatives either jeopardized the program's ability to ensure that licensed hospice and in-home care agencies meet regulatory standards or failed to reduce the program's overall hospice agency operational costs.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Oregon Environmental Laboratory Accreditation Program (ORELAP) fee changes:
ORELAP would not be able to assess and accredit cannabis testing labs. By statute, cannabis products must be tested by an ORELAP accredited lab before they can be sold. This could effectively remove cannabis from the market.

Newborn screening fee change:
The program would not be able to cover the costs of screening Oregon babies for the full recommended panel. Babies with these disorders might not be identified in time to receive prompt treatment and prevent severe health consequences or even death.

Health facility construction plan review fee changes:
If this POP is not funded the program will be unable to satisfy statutory requirements. It would not be able to maintain the current level of service, which would delay construction of proposed health care facilities throughout the state. Construction delays will adversely impact health care facilities and patients and could restrict the overall availability of new or improved health care services in some communities.

Hospice and in-home care licensing fee changes:
If this POP is not funded HCRQI will perform fewer hospice and in-home care agency relicensure surveys, slower in-home care agency initial licensure surveys, and fewer hospice and in-home care agency complaint investigations. This may place clients at an increased risk of unsafe or ineffective care and jeopardize the quality of health care services available to citizens.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Oregon Environmental Laboratory Accreditation Program (ORELAP) fee changes:

Oregon Liquor Control Commission (OLCC) would not have accredited labs to license. Cannabis products would not be available for sale.

Newborn screening fee change:
If the recommended screening panel is not performed, early diagnosis for some disorders will not occur. That will result in delayed diagnosis and treatment, and increased costs for the health care system.

Health facility construction plan review fee changes:
The program provides plan review services for the Department of Human Services, which is the licensing entity for long-term care facilities that fall within the program's jurisdiction; and contracts with the Office of the State Fire Marshall to ensure applicable health care facilities comply with National Fire Protection Association requirements. The program relies on the local authorities to ensure regulated facilities meet applicable building code requirements necessary for occupancy.

Hospice and in-home care licensing fee changes:
No other agencies would be affected by this portion of the POP.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

Oregon Environmental Laboratory Accreditation Program (ORELAP) fee changes:
The program worked closely with the ORELAP Technical Advisory Committee (OTAC) and the Oregon Environmental Laboratory Association (OELA), both of which submitted written comments and support the fee changes. Additionally, a rules advisory committee meeting was held March 2, 2016, with representatives from two marijuana testing laboratories attending; and representatives from 17 marijuana testing laboratories attended a presentation on October 5, 2015, where methods and analysis and the accreditation application process were discussed.

Newborn screening fee change:
Public Health has not yet collaborated with other agencies, programs or stakeholders on the newborn screening fee increase proposal. The program plans to engage stakeholders in the fall of 2016 to review the proposal and provide input.

Health facility construction plan review fee changes:
In December of 2014 the program convened a rules advisory committee for proposed construction plan review fee changes. Representatives from key stakeholder groups and almost every type of health care facility subject to health facility construction plan review provided feedback.

In the spring of 2016, stakeholders met extensively to discuss proposals for SB 886 (2015 session). Representatives from key stakeholder groups subject to plan review participated in these discussions.

The Office of the State Fire Marshal and the Department of Human Services Office of Licensing and Regulatory Oversight have been included in discussions about program operating costs and work load with performance measures for all plan review services.

Hospice and in-home care licensing fee changes:
Public Health has not yet collaborated with other agencies, programs, or stakeholders on the hospice agency or in-home care agency licensing fee increase portion of this POP. The program plans to engage with stakeholders in the fall of 2016 to review the proposal and provide input.

10. WHAT IS YOUR EQUITY ANALYSIS?

Oregon Environmental Laboratory Accreditation Program (ORELAP) fee changes:
ORELAP assesses any lab that completes an application and pays the appropriate fees. Race and gender are not part of the application.

Newborn screening fee change:
OSPHL provides testing regardless of race or economic status. Families can decline newborn screening based on religious objections. No baby is denied testing due to the family's inability to pay.

Health facility construction plan review fee changes:
There are no known racial or ethnic inequities associated with this POP. The proposed fee increase described in this document would apply equally to all construction plan review projects.

Hospice and in-home care licensing fee changes:
There are no known racial or ethnic inequities associated with this POP. HCRQI will apply the proposed fee increase described in this document equally to all hospice and in-home care agencies licensed by and operating within the state.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

In all cases the pricing for this POP was established by applying the principles and standards required by the Oregon Department of Administrative Services Budget and Management Division for all Oregon state agencies for 2017-2019 current service level budget development, and comparing those costs to projected 2017-2019 program revenues. Revenue proposals were established through analysis of workload, level of effort and projected costs for each program. The revenue increase proposals are designed to meet program current service costs through 2019-21.

Over the next 12 months the agency will be working to establish a fee methodology strategy that is more granular and transparent, demonstrates sensitivity to economic indicators, and ensures the integrity and high quality of fee-supported programs and services provided.

Implementation Date(s): July 1, 2017

End Date (if applicable): N/A

a. Will there be new responsibilities for OHA? Specify which Program Area(s) and describe their new responsibilities.

☒ (2) OHA's Medicaid program might need to slightly increase the amount of reimbursement for birth packages to include the increased cost of newborn screening.

b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.
No for all components.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.
No for all components.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.
This POP will "buy back" the following positions/FTE eliminated in Package 070:

Oregon Environmental Laboratory Accreditation Program (ORELAP) fee changes:
Compliance Specialist 3 – permanent – 0 position/0.04 FTE

Newborn screening fee change:
Office Specialist 2 – permanent – 0 positions/0.08 FTE

Health facility construction plan review fee changes:
Health Facilities Consultant – permanent – 2 positions/2.0 FTE

Hospice and in-home care licensing fee changes:
Client Care Surveyor – 0 position/0.79 FTE

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?
None for all components.

f. What are the ongoing costs?
Ongoing costs are for providing continuing program services as authorized in ORS or OAR at current service levels. There are no new costs.

g. What are the potential savings?
None for all components.

h. Based on these answers, is there a fiscal impact?
Yes, for all components.

TOTAL FOR THIS PACKAGE

Category	GF	OF	FF	TF	Position	FTE
Personal Services	0	$624,133	0	$624,133	2	2.91
Services & Supplies	0	339,929	0	339,929		
Total	**$0**	**$964,062**	**$0**	**$964,062**	**2**	**2.91**

OHA - Fiscal Impact Summary by Program Area:

	OSPHL	HCRQI	Total
Other Fund	$27,587	$936,475	**$964,062**
Total Funds	**$27,587**	**$936,475**	**$964,062**
Positions	**0**	**2**	**2**
FTE	**0.12**	**2.79**	**2.91**

What are the sources of funding and the funding split for each one?

OSPHL Revenue Impact:

Description of Revenue	OF	FF	TF
Charges for Services (Comp Srce 0410)	11,170	0	11,170
Other Nonbusiness License and Fees (Comp Srce 0210)	16,417	0	16,417
Total	**$27,587**	**$0**	**$27,587**

HCRQI Revenue Impact:

Description of Revenue	OF	FF	TF
Licensing fees (Comp Srce 0975)	936,475	0	936,475
Total	**$936,475**	**$0**	**$936,475**

Oregon Health Authority
2017-2019 Policy Option Package

Agency Name: Oregon Health Authority (OHA)
Program Area Name: Health Policy & Analytics
Program Name: Office of Health Information Technology (OHIT)
Policy Option Package Title: Office of Health Information Technology Fee
Policy Option Package Number: 409 Part B
Related Legislation: Oregon Law 2013, Ch. 603 (Senate Bill 604); Oregon Law 2015, Ch. 243 (House Bill 2294)

Summary Statement:

This policy option package is necessary to obtain Other Fund authority that will enable OHA to collect fees to support three health information technology efforts in Oregon: the Oregon Common Credentialing Program as mandated by Senate Bill 604; the statewide Provider Directory; and the CareAccord program. Other Fund authority allows OHA to collect fees and spend those funds to cover these programs' operating costs.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing:	$0	$22,983,343	$0	$22,983,343

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP will enable OHA to collect fees to sustainably fund three statewide health information technology programs in Oregon. They are:

- The **Oregon Common Credentialing Program** (hereafter common credentialing). This will streamline the credentialing process by providing a centralized, web-based repository of verified health care practitioner information. Common Credentialing will increase the efficiency of the process for credentialing organizations and allow health care providers to focus less on administration and more on patient care.
- A statewide **provider directory**. This will provide health care organizations and state and local agencies with an accurate and comprehensive directory of providers. It will have their contact information, health information exchange addresses and clinic affiliations. It will facilitate care coordination and referrals, analytics and quality improvement activities, health information exchange, and other administrative efficiencies.
- An incremental expansion of **CareAccord**, the state's health information exchange (HIE). CareAccord offers a service it calls direct secure messaging. Providers use it to electronically send patient health information reliably, securely and in a HIPAA-compliant way. The expansion would allow direct secure messaging to be integrated into electronic health records (EHRs) and other health information technology systems. This would help providers who face barriers to participating in health information exchange and achieving federal standards for what is known as "meaningful use of EHR technology.

Fees paid by users of these systems will help pay for vendors or contractors to implement, expand and operate the programs. Each program's fees will be administered differently (see table). OHA has legislative authority to charge these fees. This POP seeks Other Fund authority to spend the revenue from these fees, and legislative approval of the fee structure and amounts for each program.

Program	Fee Structure Summary
Common Credentialing	Credentialing organizations: A one-time set up and annual subscription fees for access. It will be tiered based on practitioner panel size. An optional expedite fee will also be available. Practitioners: A one-time application fee.
Provider Directory	Subscription fees for non-Medicaid users. Fees will be tiered based on level of use and method of access (web portal, static extracts, customized extracts, and interfaces).
CareAccord	Providers will be charged a one-time set-up or integration fee for EHR/technology integration services. Integration users may be charged ongoing fees to cover operations and maintenance costs.

Note: *Fee structure and amount details are being developed. They will reflect vendor costs identified after procurement and vendor selection, which is underway. Further detail will be incorporated into this POP at a later date.*

2. WHY DOES OHA PROPOSE THIS POP?

Common credentialing

As mandated by Senate Bill (SB) 604 (2013), the Oregon Common Credentialing Program is established as a new program in OHA to make health care practitioner information centrally available to credentialing organizations.

Common Credentialing will greatly benefit credentialed health care providers in the state, and it will create efficiencies for credentialing organizations.

Provider directory

The statewide provider directory is a new centralized program that will collect and route reliable health care practitioner information to health care organizations and state and local agencies. It will connect existing provider directories and will leverage key provider information from common credentialing. Centralized,

validated provider information will create administrative efficiencies and improve the quality of provider information for care coordination and referrals, health information exchange, health care operations, analytics and quality improvement.

Specifically, the directory will:

- Include all types of providers and organizations
- Include core provider and organization information in a central database
- Act as a "router," and a centralized point of query for provider information
- Allow user searches via a certified electronic health record, a health information exchange, a web portal or through exchange of flat files
- Use national standards for such directories

OHA is using significant federal investment and state matching funds to develop the directory for state Medicaid operations. This POP will allow OHA to extend the use of the Provider Directory beyond Medicaid enterprise.

CareAccord

CareAccord is currently supported by state and federal funding for Medicaid program operations with a primary focus on Medicaid providers. It offers a basic, web portal-based service. This POP will allow OHA to collect fees to extend the use of CareAccord beyond web portal users.

CareAccord, an existing program administered by OHA, facilitates the secure sharing of protected health information between health care providers and other health care entities in Oregon, enabling the coordination of care. It serves OHA and DHS programs, health care providers, CCOs, long-term care providers, case managers, and other members of the care team who don't have electronic health information exchange capabilities. Its nationally accredited direct secure messaging service allows CareAccord subscribers to exchange messages with hospitals and health care providers in Oregon and nationwide that use any accredited direct secure messaging service. As of 2014, hospitals and health care providers seeking to meet

federal meaningful use requirements need to provide direct secure messaging such as that provided by CareAccord through their electronic health records.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

The mission of OHA is "helping people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to quality, affordable health care." The three programs supported by this POP will indirectly affect all Oregonians by supporting improved quality of care, better care coordination, and lowered costs.

Common credentialing will help to lower the costs of health care administration. It also will work in tandem with the provider directory to support care coordination and create data analytics.

CareAccord enables the state to directly support coordination of care for Oregonians. Its efforts reduce administrative burdens related to referrals, practitioner consultations and the reliable and secure sharing of patient information.

4. IS THIS POP TIED TO AN OHA PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL OHA MEASURE THE SUCCESS OF THIS POP?

These three programs contribute to OHA's goal of aligning systems and tools at all levels of the organization to improve health outcomes and customer service. Through these programs, patients will have greater access to culturally appropriate providers. Providers will have greater access to their patients' most current health information. Systems will save time and resources due to the streamlined processes these programs will enable, which will translate to efficient, coordinated, and more cost-effective patient care.

Implementing fees for these programs and services will enable OHA to provide some of the same services to non-Medicaid providers that will be available to Medicaid providers, which will allow us to expand our ability to affect the following key performance indicators beyond the Medicaid program:

- Access to care
- Member experience of care
- Member health status
- Customer service

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

The CareAccord and provider directory programs are linked to Oregon Law 2015, Ch. 243 (House Bill 2294) and requires no change. Common credentialing is mandated by existing Oregon Law 2013, Chapter 603 (Senate Bill 604) and requires no change.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Common credentialing

This POP is requesting Other Fund authority to collect fees to implement and operate common credentialing. No other funding alternative is identified. The fees are the intent of the legislation as authorized under Oregon Law 2013, Chapter 603.

Provider directory

An alternative to charging fees for the statewide Provider Directory would be to continue the status quo of offering the Provider Directory to Medicaid users only. This alternative would fail to leverage for all Oregon health care entities the considerable federal and state resources that have been invested in building a statewide provider directory for Medicaid purposes.

CareAccord

An alternative to charging fees for expanding CareAccord services would be to continue the status quo. That would maintain the focus on serving web portal users, and would not expand the program to higher-value services such as serving providers within their electronic health record who face other barriers to participating in health information exchange. This alternative would also subject the operation of CareAccord to the variation in availability of federal and state funding to support operations. It would fail to leverage for all Oregon health care entities considerable federal and state resources that have been invested in building a statewide HIE. Funding this POP ensures that CareAccord will have a statewide reach, serve as an option for all Oregon providers to participate in electronic care coordination through direct secure messaging, and maintain a sustainable and consistent source of revenue to ensure uninterrupted service. Participation in CareAccord continues to be voluntary, so fees will be paid by entities that find value in the service.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Not funding this POP would result in the inability to collect and use fees to support the administration of common credentialing, the provider directory, and CareAccord. OHA would be unable to meet the mandate enacted by Oregon Law 2013, Chapter 603 for common credentialing. State and federal investments in CareAccord and provider directory would not be leveraged into sustainable models for the benefit of statewide stakeholders.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

County health programs, county mental health providers, school-based health centers, tribal clinics, and other local government entities would benefit from the services and operational efficiencies provided by the programs associated with this POP.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

OHA staffs the Health Information Technology Oversight Committee (HITOC) and the CCO Health Information Technology Advisory Group (HITAG). HITOC advises OHA on its HIT strategies and policies, per existing law (ORS § 413.301). In 2013, OHA convened a health information technology (HIT) Task Force to synthesize stakeholder input and develop an HIT Business Plan Framework to chart a path for statewide efforts over the next several years. The HIT Task Force outlined specific steps in creating a statewide provider directory and using CareAccord to support a goal of statewide direct secure messaging as a component to OHA's statewide HIT strategic plan. HITOC endorsed the plan and monitors OHA's progress in these areas. HITAG advises OHA on the implementation of these services from a CCO perspective, to ensure value for Medicaid's health system transformation and alignment with CCO and community efforts.

In 2014, OHA composed a subject matter work group to inform the scope, functions and parameters of a statewide provider directory. This group included representatives from health plans, CCOs, provider groups, and the Oregon Medical Association. Since 2015, OHA has convened a Provider Directory Advisory Group made up of stakeholders who inform the OHA on the technical, programmatic, and policy aspects associated with the provider directory.

OHA has a Common Credentialing Advisory Group made up of stakeholders including health care practitioners, credentialing organizations and HCRBs in place since October 2013 to advise the agency on the implementation of SB 604 and continue beyond. The agency also convenes a credentialing subject matter expert workgroup.

10. WHAT IS YOUR EQUITY ANALYSIS

The technology solutions described in this POP are focused on solving problems inherent to the health care delivery system in Oregon. As such, these problems affect all Oregonians regardless of race or ethnicity.

Enhancing the delivery system using these solutions will have a positive impact on all provider types and their patients.

The provider directory will specifically address the issue of culturally and linguistically appropriate care by allowing users to identify languages spoken by providers. This will increase the use of appropriate referrals for patients who have limited English proficiency to ensure they receive high quality care from a language concordant provider.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Operational Date(s):

Common credentialing:

July 1, 2017: OHA anticipates the common credentialing program and related fee collection to be operational mid-2017.

Provider directory:

January 1, 2018: OHA anticipates the provider directory to be operational in a pilot phase beginning in January 1, 2018. OHA expects fees for optional enhancements to begin in January 1, 2018, with full fees for non-Medicaid users to begin in January 1, 2019.

CareAccord:

July 1, 2017: CareAccord is an existing program. It could begin offering expanded direct secure messaging services July 1, 2017, subject to fees from users to cover associated costs.

End Date (if applicable): Not applicable.

a. Will there be new responsibilities for OHA? Specify which Program Area(s) and describe their new responsibilities.

OHA's responsibility to operate these programs has already been established. Common credentialing was established by Oregon Law 2013, Ch. 603, the provider directory is approved to be developed for Medicaid uses, and CareAccord is an existing program. Oregon Law 2015, Ch. 243 requires OHA to establish the Oregon HIT program, and allows OHA to charge fees to ensure the sustainability of services within the program, such as CareAccord and the provider directory. This POP will enable the collection of user fees for these programs.

b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected. See Addendum A - Shared Services LC/POP Impact Questionnaire (at the end of this document).

None identified.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

This POP will not affect client caseloads.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.

No.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

COST CATEGORY	Common Credentialing October 1, 2014 – June 30, 2018	Provider Directory n/a	CareAccord n/a
Professional Services (includes technology/operations, QA, consulting)	$14,962,583	$0	$0
Total Implementation Cost:	**$14,962,583**	**$0**	**$0**

f. What are the ongoing costs?

COST CATEGORY	Common Credentialing July 1, 2018 – June 30, 2019	Provider Directory January 1, 2018 – June 30, 2019	CareAccord July 1, 2017 – June 30, 2019
Professional Services (includes technology/operations, outreach, consulting)	$7,620,760	$200,000	$200,000
Total Ongoing Cost:	**$7,620,760**	**$200,000**	**$200,000**

g. What are the potential savings?

These programs have the potential for significant cost savings in health care across Oregon. Common credentialing. The cost to Oregon of the current credentialing system is estimated at $150 million annually (see Diagram 1).[1] While this cost may not be substantially reduced at least initially, there will be savings based on the benefits described below.

Diagram #1: SB 604 Savings Estimates from Legislative Testimony

Personnel Costs = $28.1 Million
Credentialing staff at credentialing organizations.

Credentialing Verifications Cost = $18.1 Million
Cost related to data needs from specific data sources

Providers Cost of Submitting Applications = $102.3 Million
Provider or designee's time to submit applications with supporting documentation.

Total Cost of Credentialing = $148.5 Million

Notes: *Personnel cost estimates are based on a limited number of credentialing organizations that include Independent Physician Associations, Health Plans, Hospitals, and ambulatory surgical centers. As many of these staff will remain employed and possibly be reassigned to other functions, that state may not see savings in this area. However, savings related to drastically reduced redundancy of verifications and provider time spent providing the same information to numerous organizations will result in a large savings.*

Provider directory. A centralized, common provider directory will allow health plans and CCOs to reduce the FTE dedicated to maintaining their own individual directories – between one and four FTE

[1] Written Testimony provided by Mike R. Bond, MBA, President and CEO of PrimeCare, Inc. before the Senate Committee on Health Care and Human Services, Oregon Legislature. March 26, 2013. Available at: https://olis.leg.state.or.us/liz/2013R1/Measures/Exhibits/SB604.

for each entity. Providers and CCOs also will save money by having one point of data entry for this information.

CareAccord. Direct secure messaging, as delivered by CareAccord, reduces the cost for administrative staff that spend an inordinate amount of time on phone calls, scanning, faxing, copying, and filing related to sharing health information with other providers, health plans, and CCOs. Direct secure messaging also significantly reduces the cost for office supplies, equipment maintenance and repair, and off-site storage requirements for paper medical record/protected health information storage space.

h. Based on these answers, is there a fiscal impact?
Yes.

TOTAL FOR THIS PACKAGE

Category	GF	OF	FF	TF	Position	FTE
Services & Supplies	0	$22,983,343	0	$22,983,343		
Total	**$0**	**$22,983,343**	**$0**	**$22,983,343**	**0**	**0.00**

Office of HIT, OHA - Fiscal Impact Summary by Program Area:

	Common Credentialing	Provider Directory	CareAccord	Total
Other Fund	**$22,583,343**	**$200,000**	**$200,000**	**$22,983,343**
Total Funds	**$22,583,343**	**$200,000**	**$200,000**	**$22,983,343**
Positions	**0**	**0**	**0**	**0**
FTE	**0.00**	**0.00**	**0.00**	**0.00**

What are the sources of funding and the funding split for each one?
All Other Funds are assumed to be credentialing fees.

Common Credentialing Revenue Impact:

Description of Revenue	OF	FF	TF
Other (Comp Srce 0210)	$22,583,343	0	$22,583,343
Total	**$22,583,343**	**$0**	**$22,583,343**

Provider Directory Revenue Impact:

Description of Revenue	OF	FF	TF
Other (Comp Srce 0210)	$200,000	0	$200,000
Total	**$200,000**	**$0**	**$200,000**

CareAccord Revenue Impact:

Description of Revenue	OF	FF	TF
Other (Comp Srce 0210)	$200,000	0	$200,000
Total	**$200,000**	**$0**	**$200,000**

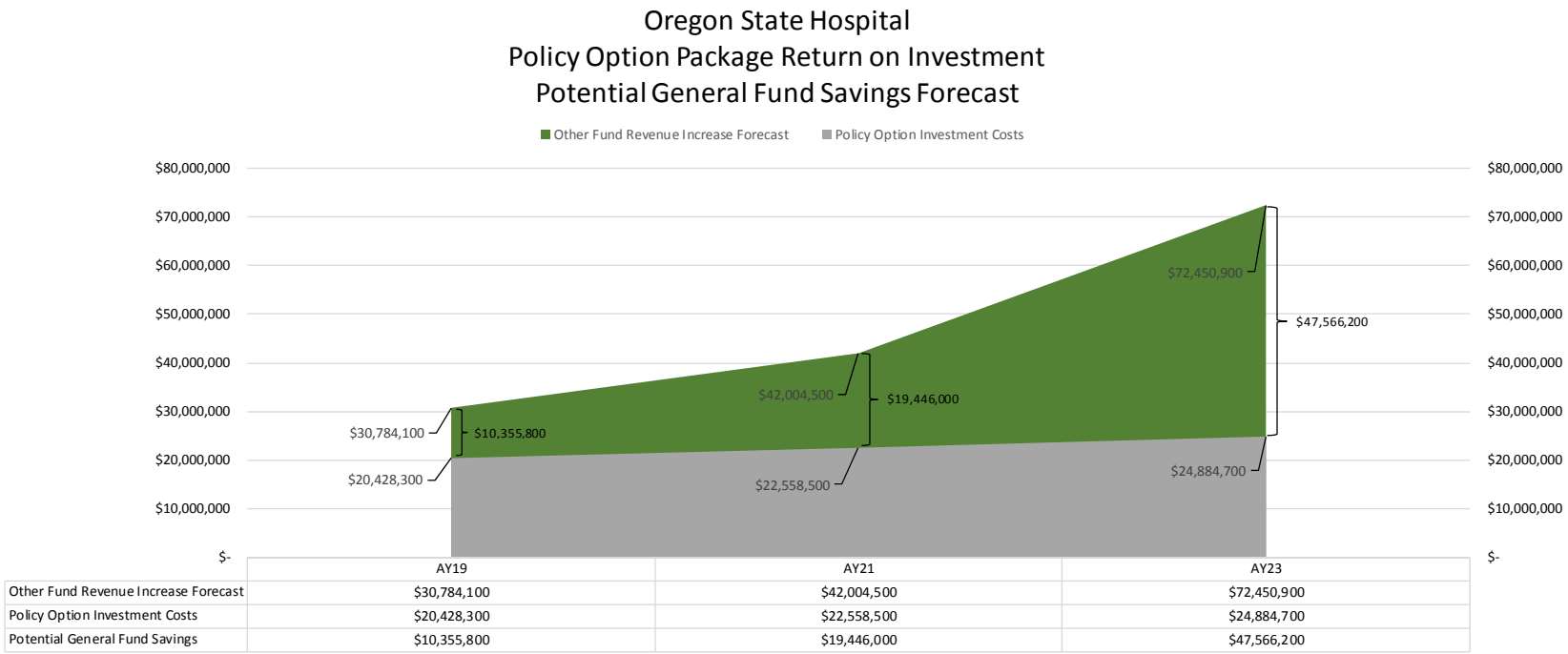
2017-2019 Policy Option Package

Agency Name: **Oregon Health Authority**
Program Area Name: **Oregon State Hospital**
Program Name: **Oregon State Hospital**
Policy Option Package Title: **Oregon State Hospital Improvements**
Policy Option Package Number: **410**
Related Legislation: **Not applicable**

Summary Statement:

Oregon State Hospital seeks to reduce its reliance on state General Funds by increasing Other Fund reimbursement. By investing in infrastructure improvements, the hospital can certify an additional 454 beds with the Centers for Medicare and Medicaid Services (CMS), which will enable it to bill Medicare, Medicaid and third-party insurances.

With recent improvements, OSH is well positioned to certify an additional 454 hospital-licensed beds with CMS, and has formally applied for certification. Including the 115 beds that are already CMS-certified, this would bring the total number of CMS-certified beds for OSH to 569. All of them would be certified for hospital level of care. CMS certification means the hospital can bill insurance plans for patients covered under Medicare, Medicaid, and third party (commercial) insurance. If OSH can certify the additional beds, the conservative estimate is a $30.8 million increase in Other Fund revenues for 2017-2019 and $40-$75 million or more in subsequent biennia. However, to achieve and sustain CMS certification, the hospital needs to invest $23.1 million of this new revenue in utilization management, safety improvements that address treatment and staffing levels, and compliance with CMS regulations. This leaves a potential net General Fund reduction of $10.3 million in 2017-2019, $19.4 million in 2019-2021, and $47.5 million in 2021-2023 (see chart below).



	AY19	AY21	AY23
Other Fund Revenue Increase Forecast	$30,784,100	$42,004,500	$72,450,900
Policy Option Investment Costs	$20,428,300	$22,558,500	$24,884,700
Potential General Fund Savings	$10,355,800	$19,446,000	$47,566,200

2017-19 Funding	GF	OF	FF	TF	Position	FTE
Revenue Fund Shift	-10,355,765	10,355,765	0	0	0	0.00
Revenue Cycle Management	0	8,618,063	0	8,618,063	25	25.00
Accreditation and Compliance	0	5,667,474	0	5,667,474	24	24.00
Limited Duration Nursing Float Pool	0	6,142,845	0	6,142,845	34	34.00
Total	**-10,355,765**	**30,784,147**	**0**	**20,428,382**	**83**	**83.00**

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP funds four key investments needed to achieve and maintain CMS certification for 569 beds at Oregon State hospital. Certifying all hospital-licensed beds will generate increased Other Funds, resulting in a potential net General Fund savings of approximately $10 million during the next biennium. These key investments are in **infrastructure** – revenue cycle management and accreditation and compliance – and in **safety** – and nursing float pool.

Infrastructure – revenue cycle management

This POP provides the necessary administrative infrastructure to expand the hospital's ability to bill Medicare and other third-party insurances for inpatient hospital care. The hospital already has initiated several improvements during the current biennium; however, in order to expand the billing operations from 115 hospital beds to 569 hospital beds, additional resources are needed to meet the stringent conditions of participation that are required by the Centers for Medicare and Medicaid Services (CMS).

Improving safety – limited duration nursing float pool

This POP will improve treatment and safety at OSH by expanding the position authority of the nursing float pool by providing up to 34 float pool positions. These positions will be used to rotate limited duration float staff to expand the OSH float pool capacity. As other full-time program-specific positions become available, float pool staff can transfer to those, freeing up the float position for rehire. This will better enable OSH to meet staffing requirements necessary to achieve and maintain CMS certification without excessive reliance on overtime or the use of agency staff, and reduced need for multi-filling limited duration float positions.

Infrastructure – accreditation and compliance

It is essential that OSH maintain its compliance with these standards to reduce the risk of audits and settlement reviews leading to potential paybacks on the estimated $33.5 million increase in Other Funds that this POP would generate. This POP improves and expands the hospital's accreditation and compliance

processes and provides the additional staff required to ensure compliance for an additional 454 beds. CMS certification will require compliance support in all of the following areas:

- Environment of care
- Emergency management
- Human resources
- Infection prevention and control
- Information management
- Leadership
- Life Safety
- Medication management
- Medical staff
- National Safety Patient Goals
- Nursing
- Provision of care, treatment, and services
- Performance improvement
- Record of care, treatment, and services
- Rights and responsibilities of the individual
- Waived testing

2. WHY DOES OREGON STATE HOSPITAL PROPOSE THIS POP?

Oregon State Hospital proposes this POP because it:

- Reduces the financial burden on patients
- Reduces uncompensated care
- Frees General Fund dollars to be reinvested in the community behavioral health system
- Improves care and treatment for patients
- Improves safety for both patients and staff

Infrastructure – revenue cycle management

In order to take advantage of all available Other Funds, all of OSH's hospital-licensed beds must be CMS-certified. However, before it could obtain certification, OSH had to address its deficiencies and achieve a level of operational excellence necessary to become fully accredited. With the improvements over the past six years, verified by the Joint Commission in 2015, OSH is now well positioned to certify all 569 hospital-licensed beds, increasing its ability to bill Medicare, Medicaid, or third-party insurance for all reimbursable services.

Timeline:

- Early 2000s – OSH had four civil units certified by CMS, and was billing Medicare for the cost of care for the patients on these units. None of the remaining 16 units were CMS certified, and none of the services provided within these units were reimbursed by Medicare.
- 2008 – CMS surveyed OSH, determined that three of the four certified units were not providing adequate active treatment and decertified three of the four units. Only one unit remained certified. Medicare billing was very limited, and the hospital had only conditional accreditation from The Joint Commission to operate.
- 2014 – Hospital leadership focused on improving billing and reimbursement processes.
- 2015 – With the construction of the new facilities complete and all prior deficiencies addressed, OSH began to consider CMS certification for additional units. The Joint Commission surveyed the hospital in March 2015 and issued a very favorable report, fully accrediting the hospital, including the newly opened facility in Junction City. Based on that review, the hospital is actively pursuing CMS certification of the remaining 19 hospital units.

Improving safety – limited duration nursing float pool

Adequate staffing is fundamental for safety at OSH. Failure to meet established staffing requirements puts OSH at risk of not achieving and maintaining CMS certification. The following is the associated Joint Commission standard: [*EP 3 §482.62(d)(2) - (B150) - (2) There must be adequate numbers of registered*

nurses, licensed practical nurses, and mental health workers to provide the nursing care necessary under each patient's active treatment program.]

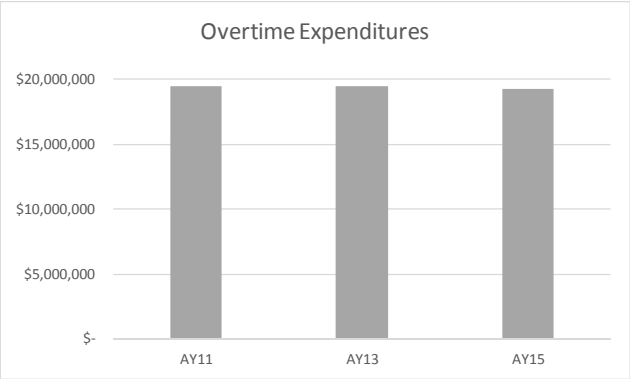
On average, 14 percent of OSH direct care staff (registered nurses, licensed practical nurse, and mental health technicians) are absent each day. This does not include planned absences such as vacation or personal business. In order to meet minimum staffing requirements, direct care staff are asked or mandated to work overtime. But even with overtime shifts, staffing needs are not always met. By expanding the number of float pool positions as needed, the hospital can better ensure staffing levels are met and avoid excessive overtime and mandatory overtime.

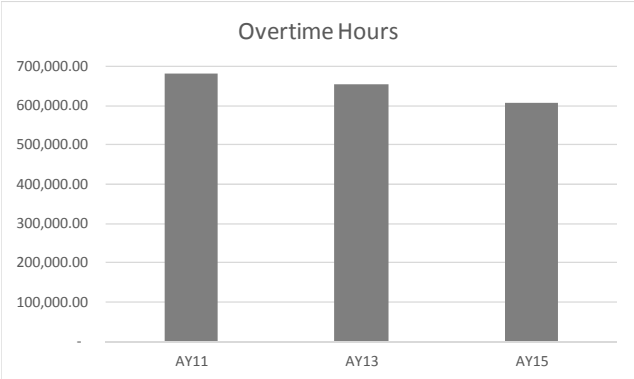
OSH nursing staffing requirements are affected by:

- Acuity – higher staff-to-patient ratios are needed to maintain a safe treatment environment for patients and staff when there is a high acuity related to the patient population.
- Precautions – Additional staff are needed to carry out physician-ordered patient "precautions," in which one or two staff are assigned to watch an individual patient who the physician has assessed as a risk for harming themselves or others.

In 2015, the firm of AKT conducted an independent review of OSH nurse staffing practices. The report concluded that "*the methodology of the calculation appears to be sound. In speaking with our outside counsel, OSH's delivery model is well known and viewed favorably by others in the industry.*" The nurse staffing plan established by OSH will be the standard CMS will expect OSH to maintain as part of certification requirements.

Historically and currently, OSH has relied on overtime as the primary means to meet staffing needs when direct-care staff are absent. Over the past three biennia, OSH has averaged 26,969 hours and $808,767 in monthly overtime to fill planned and unplanned direct care staff vacancies.





To reduce its dependence on overtime, OSH has historically hired limited duration direct-care staff for a nursing "float pool" and multi-filled these staff on one position since limited duration position authority was not budgeted. Recently (June 2015), the Oregon Health Authority initiated steps to reduce or eliminate limited duration positions and stop the practice of multi-filling positions. The related hiring freezes and constraints on limited-duration positions resulted in an insufficient number of float pool staff at OSH, which increased the dependence on overtime. In the fall of 2015, an allowance was made for OSH to multi-fill some limited duration float pool positions. To reduce the risk of future disruption of float pool hiring, additional float pool position authority is needed. Without enough float pool staff to back-fill direct-care absences, the hospital has been unable to keep overtime within the budgeted level.

Currently, there are 122 Limited Duration float pool staff to back-fill staff call-outs and precaution orders; however, all float pool staff are assigned to one position (multi-filled). Although these staff were not a part of the 2015-2017 budget, the cost of the float pool staff has been offset by savings from other vacant positions. Since OSH is currently operating within the funding provided in its base budget, it is requesting position authority and funding for only 34 float positions. These positions will be used to rotate limited duration staff hired as float staff into other full-time permanent positions assigned to specific programs units (non-float) as available through turnover, then back-filling the float position. This will increase the OSH

float staff, reduce the need to multi-fill LD positions, and better enable OSH to consistently staff at required levels.

In 2014 a Secretary of State audit of OSH overtime practices pointed out that, *"Excessive overtime creates safety risks because it can lead to fatigue, affecting nursing staffs' ability to deliver good patient care, making good clinical decisions, and communicating effectively. Fatigued nursing staff could make errors, take unnecessary risks, be forgetful, and be in a poor mood."*

In 2016 The Joint Commission visited OSH to follow up on concerns of inadequate staffing levels. The surveyor investigated the following standard: *EP 3 §482.62(d)(2) - (B150) - (2) There must be adequate numbers of registered nurses, licensed practical nurses, and mental health workers to provide the nursing care necessary under each patient's active treatment program*. Because the surveyor observed the high level of unplanned direct-staff absences at OSH, her finding was: "*This Standard is NOT MET as evidenced by: Observed in Record Review at Oregon State Hospital (2600 Center Street, NE, Salem, OR) site for the Psychiatric Hospital deemed service. In 35 of 112 shifts reviewed, staffing was noted not to meet the organization's expected staffing matrix."*

With adequate position authority to establish a robust limited duration nursing float pool, OSH will be able to maintain safe staffing levels, cover unplanned absences without overreliance on overtime, and maintain compliance with regulations necessary for CMS certification.

Infrastructure – accreditation and compliance

In 2008 the United States Department of Justice issued a report that the hospital:

A. Inadequately protected patients from harm;
B. Failed to provide adequate mental health care;
C. Inappropriately used seclusion and restraint;
D. Provided inadequate nursing care; and
E. Performed inadequate discharge planning and placement in the most integrated setting.

Hospital leadership has since established a culture of continuous improvement, and it has resolved all of the deficiencies listed above. In addition, many of the hospital's improvement initiatives support proper billing and reimbursement for in-patient services.

During FY2016 several audits and reports were submitted to a variety of federal and state contracted auditors related to past revenue operations. The three most notable financial audits and reports were:

- FY2012 Disproportionate Share audit conducted by Myers and Stauffer
- FY2015 Medicaid Credit Balance audit conducted by Health Management Systems (HMS), and
- FY2015 Cost Report which was submitted to CMS via Noridian Healthcare Solutions.

In each of these audits and reports, OSH was found to be delinquent in submitting the required data in a timely manner. The auditors cited the hospital for the delay in responding to the audit requests, and identified an overpayment of approximately $365,000 for the FY2015 Medicaid Credit Balance because the hospital was not in compliance with the requirement for "coordination of benefits."

As the hospital expands CMS certification from 115 certified beds to 569 certified beds, the associated financial risks also will increase. In order to mitigate these risks and avoid future overpayments, the hospital is requesting to invest in strengthening front-end compliance, to ensure the hospital and OHA are consistently in compliance with the federal regulations and guidance related to billing for Medicare services. This includes establishing the appropriate staffing position levels commensurate with skills and experience required for this work; establishing sufficient staff resources; and enhanced staff training.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

This POP meets the **Oregon Health Authority's OSH "Priority Area" goals and objectives**:

- To provide adults in Oregon who have serious and persistent mental illness with community services that will assist them to live in the most integrated setting appropriate to their needs, achieve positive outcomes, and prevent their unnecessary institutionalization.
- The state will make diligent efforts to obtain the funding, appropriations, limitations, allotments, or other expenditure authority necessary to achieve this goal.

This POP also meets the following Oregon Health Authority 18-month priorities:

- **Priority 1 - Ensure accurate Oregon Health Plan eligibility and enrollment processes for Oregon's Medicaid program**
  This POP enables the hospital to put "front-end eligibility" checks in place for individuals admitted to OSH. This way, the hospital will ensure patients are enrolled in the Oregon Health Plan and maintain their enrollment during their hospitalization so they have continued access to health care upon discharge.

- **Priority 2 – Ensure behavioral health systems work for all Oregonians**
  This POP has a significant impact on the overall behavioral health system. By providing a robust revenue cycle management plan, the hospital will reduce the financial burden to the individual and free up General Fund dollars which can be reinvested in the community system.

- **Priority 9 – Maintain a fiscally sustainable budget**
  By maximizing the hospital's ability to bill Medicare and third-party insurance, this POP implements a "win-win-win" strategy of reducing General Fund expenditures and state taxpayer burden, as well as reducing the financial burden on patients and their families.

- **Priority 10 – Empower and strengthen the skills and capabilities of OHA's employees**
  This POP invests in the staff and training needed to ensure the hospital can meet compliance requirements for maintaining certification of an additional 454 hospital beds and the associated administrative conditions of participation related to bill for inpatient services under the Medicare program.

4. IS THIS POP TIED TO AN OREGON STATE HOSPITAL PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL OREGON STATE HOSPITAL MEASURE THE SUCCESS OF THIS POP?

Yes, this POP achieves the following Oregon State Hospital performance measures:

- We are good stewards of hospital resources.
- We ensure regulatory compliance
- Our information technology is efficient and promotes effective decision-making.
- We recruit and retain staff who share our vision and values.
- We are a center of excellence.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

This POP does not require a change to an existing statute or require a new statute.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Before submitting this POP, OSH considered several options:

1. Continuing operations as is, with only 115 CMS-certified hospital beds and billing CMS for reimbursement for only those patients who are eligible for Medicare or Medicaid occupying these specific beds.
2. Requesting CMS certification for additional hospital beds in increments rather than all at once.

3. Outsourcing the operation of the hospital's entire revenue cycle to an outside vendor once the hospital has been fully CMS certified.

These options were not accepted because options 1 and 2 would continue to severely limit OSH's ability to bill our patients' insurance providers, particularly Medicare and Medicaid, for reimbursement of their cost of care, leaving the patient responsible for this cost. Because very little of this cost is ultimately collected from our patients, OSH would continue to require significant state General Fund investments to operate. These options also fail to take advantage of available Other Funds.

Option 3, outsourcing operation of the revenue cycle, has not worked well for other state psychiatric hospitals that have tried it, and most have returned to an in-house approach. Revenue cycle work for state psychiatric hospitals is not the same as acute care hospitals, and many of the rules and regulations are different; thus, finding competent professionals in this area is challenging. Because of the nuances and unique expertise that state psychiatric hospital revenue cycle work entails, the hospital rejected this option. Performing this operation internally provides more control and oversite of the work to ensure all available resources are identified and properly billed.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Infrastructure – revenue cycle management

If this POP is not funded, the hospital runs the risk of not being able to:

- Maintain certification for all 569 hospital-licensed beds
- Adequately and fully bill Medicare, Medicaid and third-party insurances for all reimbursable in-patient services

Additionally, the hospital would risk losing revenue cycle improvements made throughout the past 24 months. This POP provides the mechanism to ensure that the gains and improvements already made remain secure.

Improving safety – limited duration nursing float pool

If this POP is not funded, the hospital will struggle to maintain safe staffing levels due to unplanned direct-care staff absences, putting continued CMS certification at risk. In addition, the hospital will continue to excessively rely on overtime and mandatory overtime, putting an undue burden on staff and their families.

Infrastructure – accreditation and compliance

If this POP is not funded, the hospital would be at risk for potential paybacks to the Medicare program for erroneous billing. Under current Medicare guidelines, any errors in billing for services are subject to recovery audits and reviews. If a recovery audit discovers errors, the Medicare contractor may require payback of all amounts paid to the hospital for the past six years, including interest and penalties.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

The OHA Health Systems Division, which oversees the Medicaid Management Information System (MMIS), may be required to change policies regarding the "coordination of benefits" for those patients who are dual-eligible for both Medicare and Medicaid. This is due to Medicare's billing requirements, specifically regarding the revenue code structure. The reimbursement mechanism changed when the hospital implemented a new electronic health record system. Because the electronic billing component of this system can accurately capture the various costs and charges related to the routine service cost centers and ancillary cost centers, it is no longer appropriate or cost-effective to use an "all-inclusive" rate for billing Medicare beneficiaries. MMIS still uses an "all-inclusive" rate and revenue code, which means Health Systems Division must either update MMIS to reflect the DRG billing methodology, or establish a "bridge routine" to convert the revenue code and pricing from a DRG method (Rev Code 0124) to the "all-inclusive" method (Rev Code 0100) in order to accurately process claims electronically.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

OSH will invite the OHA Health Systems Division to participate in a policy review of MMIS's processing of Medicaid claims submitted on behalf of inpatients at OSH. The goal will be to ensure effective controls are in place to preclude payment of claims that are ineligible for federal financial participation (FFP) under the Medicaid program for all medical services provided at the hospital for patients between the ages of 21 and 64 years. If working properly, MMIS would deny any claims for ineligible services. This would achieve the appropriate coordination of benefits and would document the indigence of those patients who are eligible for Medicaid services. The other impact would be that patients' Medicaid benefits would remain intact during their hospitalization, so that if they require medical services outside of OSH, the facility or physician that renders the service could appropriately bill for it. By ensuring that Medicaid pays for eligible services, the state would realize a General Fund savings through federal financial participation on these outside medical costs.

10. WHAT IS YOUR EQUITY ANALYSIS?

This POP will expand the hospital's participation in federal Medicare and Medicaid programs. These entitlement federal programs have stringent equity requirements that OSH will continue to meet, to ensure it fully complies with all equity requirements and guidelines.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): 7/1/2017

End Date (if applicable): N/A

a. Will there be new responsibilities for the Oregon Health Authority? Specify which Program Area(s) and describe their new responsibilities.
No – no new responsibilities.

b. **Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected. See Addendum A - Shared Services LC/POP Impact Questionnaire (at the end of this document).**
Yes, we added Shared Services positions to cover the increased staffing caseload that will affect HR, OFS, and IRMS. The positions added in this POP are one Human Resource Analyst 3 (HR), one Accountant 2 (OFS), one Accounting Tech 3 (OFS), one Data Entry Operator (IRMS), and one Administrative Specialist 2 (IRMS).

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.
No.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.
Yes, new staff are required and modifications to existing positions are needed as well.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?
One-time costs associated with this POP are:

1. Purchase of business intelligence software, $85,000
2. Avatar change request, $75,000
3. Capital related replacement of equipment/material, $526,000

f. What are the ongoing costs?

Ongoing	GF	OF	FF	TF
Personal Services	0	12,736,771	0	12,736,771
Services & Supplies	0	4,850,757	0	4,850,757
Capital Outlay	0	85,000	0	85,000
Special Payments	0	2,069,854	0	2,069,854
Total	**0**	**19,742,382**	**0**	**19,742,382**
Position				**83**
FTE				**83.00**

g. What are the potential savings?

This POP will result in an increase in total expenditure authority, but will provide an overall General Fund reduction in the amount of ($10,355,765).

h. Based on these answers, is there a fiscal impact?

Yes. There is a fiscal impact. Negative GF and a positive OF (to match anticipated revenues).

Policy Option Package				
Summary				
Fiscal Impact:	20,428,382			
· Program Unit name and SCR number: OSH, 030-06-00-00000				
· Dollars by fund type by category:				
	GF	OF	FF	TF
Personal Services	0	12,736,771	0	12,736,771
Services & Supplies	-10,355,765	15,366,522	0	5,010,757
Capital Outlay	0	611,000	0	611,000
Special Payments	0	2,069,854	0	2,069,854
Total	**-10,355,765**	**30,784,147**	**0**	**20,428,382**
Position				**83**
FTE				**83.00**

TOTAL FOR THIS PACKAGE

Category	GF	OF	FF	TF	Position	FTE
Personal Services	0	$12,741,653	0	$12,741,653	83	83.00
Services & Supplies	($10,355,765)	$15,366,522	0	$5,010,757		
Capital Outlay	0	$611,000	0	$611,000		
Special Payments	0	$2,069,854	0	$2,069,854		
Total	**($10,355,765)**	**$30,789,029**	**$0**	**$20,433,264**	**83**	**83.00**

Oregon Health Authority-Fiscal Impact Summary by Program Area:

	Oregon State Hospital	Total
General Fund	**($10,355,765)**	**($10,355,765)**
Other Fund	**$30,789,029**	**$30,784,147**
Federal Funds- Ltd	**$0**	**$0**
Total Funds	**$20,433,264**	**$20,428,382**
Positions	**83**	**83**
FTE	**83.00**	**83.00**

What are the sources of funding and the funding split for each one?

Revenue Impact:

Description of Revenue	OF	FF	TF
Other (Medicare) (Comp Srce 0975)	$30,784,147	0	$30,784,147
Total	**$30,784,147**	**$0**	**$30,784,147**

Oregon Health Authority
2017-2019 Policy Option Package

Agency Name:	**Oregon Health Authority**
Program Area Name:	**Public Health Division - Office of the State Public Health Director**
Program Name:	**Office of the State Public Health Director, Center for Prevention and Health Promotion, Center for Public Health Practice, Center for Public**
Policy Option Package Title:	**Public Health Modernization**
Policy Option Package Number:	**411**
Related Legislation:	**Legislative Concept 33; HB 3100 (2015 Regular Session)**

Summary Statement:

House Bill 3100 (2015) required that state and local public health authorities assess the degree to which core public health needs are being met in Oregon communities. This POP would address the significant program gaps identified in that public health assessment and build a sustainable infrastructure to support public health modernization long-term. Investments in this POP would provide critical support to local public health authorities and state public health that are necessary for the public health system as a whole. This request is prioritized by areas with the most significant gaps, including the ability to fully implement a system of accountability metrics for state and local health departments, modern information technology, health equity, and the ability to provide comprehensive, real-time population health data in order to inform public health policy and program decision-making.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing:	**$30,000,000**	**($485,369)**	**($812,532)**	**$28,702,099**

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

The level of public health services an individual receives is currently dependent on where they live. Public health modernization aims to create a core level of services across the entire state so that everyone in Oregon can receive basic public health protections. This POP begins the first phase of public health modernization, and strategically invests in the Public Health Division (PHD) and local public health authorities to: enhance governmental public health leadership and the workforce to become more effective, efficient and ultimately responsible for public health accountability metrics; meaningfully improve health equity through partnership with communities; upgrade outdated information systems that are critical to public health infrastructure; provide comprehensive data on population health in order to inform decision-making; and support communities in mounting timely and thorough responses to emerging issues including environmental health hazards, communicable diseases and natural and man-made disasters.

2. WHY DOES OHA PROPOSE THIS POP?

This POP is proposed to begin implementation of the mandates included in HB 3100 (2015) to modernize the public health system in Oregon. This POP will significantly improve the capacity of Oregon's governmental public health system to protect the health of everyone in the state. Enhancements in health equity, leadership, population health data, environmental health, communicable disease control and public health preparedness are anticipated.

Enhancements to Oregon's governmental public health system will build on existing infrastructure, with new additions in some program areas including health equity and emerging public health threats. A thorough assessment in 2016 of Oregon's Public Health Division (PHD) and its 34 local public health authorities identified significant service gaps based on jurisdiction size. The public health modernization assessment also found that, across the board, governmental public health's ability to address health equity is poor and should be a priority in this POP. This POP would increase the amount of funds provided to local public health authorities based on the following criteria outlined in House Bill 3100: population size; community health status; disease burden; and health equity. The funding formula for distribution of this POP to local

public health authorities would include a process for awarding matching funds for local investment in public health, as well as awarding additional funds based on performance on a suite of public health quality measures.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

This POP addresses the Oregon Health Authority's (OHA's) priority to implement public heath modernization by providing the resources necessary to continue the work plan laid forward by OHA and House Bill 3100.

This POP supports the Governor's priorities for Healthy, Safe Oregonians, a Seamless System of Education and Responsible Environmental Stewardship. It does this by: equipping state and local health departments with the capacity to respond to emerging events and doing so in a way that promotes equity and fairness for everyone across Oregon; ensuring that children are healthy and ready to learn and remain in school; and providing communities with critical public health infrastructure that can keep residents safe and connected to resources in the event of environmental emergencies including wildfires and earthquakes.

4. IS THIS POP TIED TO AN OHA PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL OHA MEASURE THE SUCCESS OF THIS POP?

The state and local public health program areas supported by this POP will drive improvements in OHA Key Performance Measures and will support achievement of health system transformation metrics through a focus on health equity.

OHA will measure the success of this POP by implementing a series of public health quality metrics, to which PHD and local public health authorities will be accountable. These quality metrics are designed to align with other quality measurement systems, including those for coordinated care organizations, so that systems are working toward the same objectives.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

A proposed legislative concept would specify the terms by which local public health authorities will submit public health modernization plans as well as the timeline and process for implementation of the public health quality measure program. This legislative concept builds in additional detail from House Bill 3100.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

OHA has explored whether federal funding might be available for this POP. Based on the way federal public health funds are appropriated in Congress, it is not immediately possible that federal funds would be available to provide the level of investment needed to implement public health modernization in Oregon. Outside of this POP request, OHA will align its funding streams to further support public health modernization to the extent possible based on federal funding restrictions.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Should this POP not be funded, we can expect Oregon's governmental public health system to struggle to address ongoing and emerging needs, including protection from communicable diseases, environmental health threats and man-made and natural disasters. It is possible that communities could be exposed to life-threatening diseases and conditions without a public health system that can protect them in a timely and comprehensive fashion.

If this POP is not funded, an even greater disparity in the level of public health service provided across the state can be expected, particularly as local governments struggle to keep up with budget shortfalls. This would mean that Oregonians would lack certain public health protections based on where they live.

Should this POP not be funded, we also can expect an increase in health disparities across population groups, since the public health system would not have the capacity to engage communities to improve equity, nor would communities have the data they need on the health of their populations to know where to focus.

If this POP is not funded, we can expect current discussions about how to gain efficiencies and improve effectiveness for public health to subside because there would little incentive to commit to working in regions to deliver services.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Local governments and local public health authorities would be affected by this POP because they would receive critical resources needed to advance Oregon's health priorities. Tribal governments would be affected because they would either be recipients of additional local public health services, or they could decide to take on aspects of public health modernization within their tribal health departments. Other state agencies, including the Department of Education and the Department of Environmental Quality, would benefit from this POP by having a stronger public health system to rely on for shared initiatives.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

The Oregon Health Policy Board, the Public Health Advisory Board and the Coalition of Local Health Officials have provided input on the immediate priorities for Oregon's public health system based on the findings from the public health modernization assessment. These priorities align with the POP request.

10. WHAT IS YOUR EQUITY ANALYSIS?

The public health modernization assessment process identified significant gaps in the public health system's ability to improve health equity. This POP will provide funding to local public health authorities through a formula based in part on health inequities and burden of disease, directing resources to communities that are

most affected by poor health outcomes. Specific requirements and targets will be set for state and local public health authorities to improve health equity.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

This POP includes pricing for six positions/6.00 FTE. Existing position is repurposed to fulfill the staffing needs identified in this POP. No new position authority is requested.

Implementation Date(s): July 1, 2017

End Date (if applicable): Ongoing

a. Will there be new responsibilities for OHA? Specify which Program Area(s) and describe their new responsibilities.

☒ Public Health Division: will implement new programs, manage new contracts with local public health authorities and establish the governmental public health accountability metrics program

b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.

None anticipated

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

Yes, it is anticipated that this POP will provide an additional level of public health service to all residents in the state through improvements in state and local public health authorities.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.

Yes. The table below details the existing position authority that is repurposed for this POP.

Action	Position#	Class Title	Type	Pos	FTE	GF	OF	FF	TF
Abolish	1003841	RA 4	PF	(1)	-1.00	$0	$0	($188,290)	($188,290)
Abolish	0000126	Microbio 2	PF	(1)	-1.00	$0	($155,660)	$0	($155,660)
Abolish	0000158	EHS 3	PF	(1)	-1.00	$0	($167,947)	$0	($167,947)
Abolish	1002419	EHS 3	PF	(1)	-1.00	$0	($76,063)	($91,884)	($167,947)
From	1013463	OPA 2	PF	(1)	-1.00	$0	$0	($167,947)	($167,947)
From	1013952	OPA 2	PF	(1)	-1.00	$0	$0	($220,947)	($220,947)
To	1013463	OPA 4	PF	1	1.00	$217,671	$0	$0	$217,671
To	1013952	OPA 4	PF	1	1.00	$226,674	$0	$0	$226,674
Establish	New	OPA 4	PF	1	1.00	$217,671	$0	$0	$217,671
Establish	New	PA 3	PF	1	1.00	$181,102	$0	$0	$181,102
Establish	New	OPA 4	PF	1	1.00	$217,671	$0	$0	$217,671
Establish	New	PHE 2	PF	1	1.00	$161,891	$0	$0	$161,891
Total				0	0.00	$1,222,680	($399,670)	($669,068)	$153,942

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

Will need statistical analysis software.

f. What are the ongoing costs?

Contracts and special payments to local public health authorities.

g. What are the potential savings?

This POP will provide needed flexibility to the Public Health Division to respond to emerging issues. Current capacity to respond is limited by federal categorical grant expenditure rules. Local public health authorities will be required to seek and implement efficiencies in public health service delivery by sharing resources and developing new service delivery relationships.

h. Based on these answers, is there a fiscal impact?

Yes.

TOTAL FOR THIS PACKAGE

Category	GF	OF	FF	TF	Position	FTE
Personal Services	$1,167,230	($399,670)	($669,068)	$98,492	0	0.00
Services & Supplies	$6,000,613	($85,699)	($143,464)	$5,771,450		
Special Payments	$22,832,157	0	0	22,832,157		
Total	**$30,000,000**	**($485,369)**	**($812,532)**	**$28,702,099**	**0**	**0.00**

OHA - Fiscal Impact Summary by Program Area:

	OSPHD	Protection	Prevention	Practice	Total
General Fund	**$25,864,881**	**$1,657,786**	**$1,238,667**	**$1,238,666**	**$30,000,000**
Other Fund	**$0**	**($296,332)**	**$0**	**($189,037)**	**($485,369)**
Federal Funds- Ltd	**$0**	**($111,586)**	**$0**	**($700,946)**	**($812,532)**
Total Funds	**$25,864,881**	**$1,249,868**	**$1,238,667**	**$348,683**	**$28,702,099**

What are the sources of funding and the funding split for each one?

State General Fund. The Other Funds and Federal Funds being reduced are empty fee limitation.

Oregon Health Authority
2017-2019 Policy Option Package

Agency Name: Oregon Health Authority
Program Area Name: State Assessments & Enterprise-wide Costs
Program Name: State Government Service Charges (SGSC)
Policy Option Package Title: SGSC & Telecommunication Usage-Based Charges
Policy Option Package Number: 412
Related Legislation: N/A

Summary Statement:

This POP would fund the increased use of the Department of Administrative Services usage-based fees as outlined in the 2017-2019 Price List of Goods & Services for State Government Service Charges.

If this POP were not funded, daily OHA operations would become less efficient and effective. The use of the Price List of Goods & Services would decrease from accustomed levels.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing:	**$1,390,305**	**$363,041**	**$1,222,961**	**$2,976,307**

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP would fund the increased use of the Department of Administrative Services usage-based fees as outlined in the 2017-2019 Price List of Goods & Services for State Government Service Charges.

2. WHY DOES OHA PROPOSE THIS POP?

OHA has significantly increased its use of the usage-based Price List services as compared to the proposed 2017-2019 budget including inflation. The areas driving the increased use are:
Datamart – accounting and payroll, Oregon Statewide Payroll Services (OSPS), PERS reconciliation, SFMA Warrants and Return to Agency Warrants, Statewide Financial Management Services (SFMS), Automated Clearing House (ACH), treasury and banking fees, agency-specific procurement services, and telecom.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

Using these statewide services is cost-effective. This enables OHA to concentrate on the critical mission of providing health services to Oregonians, which is also a focus area of the Governor for Safer, Healthier Communities. Furthermore, the Governor has included in her agenda a desire for excellence in government. These services allow the state to centralize the operations of systems and services that provide efficiency and value to OHA.

4. IS THIS POP TIED TO AN OHA PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL OHA MEASURE THE SUCCESS OF THIS POP?

No. Success is measured by OHA's ability to continue providing uninterrupted efficient daily operations.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

These services are essential to the daily operations of the agency and are provided on a statewide level, so no alternatives were considered.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Daily operations in OHA would become less efficient and effective. The use of the Price List of Goods & Services would decrease from the agency's accustomed level. OHA would be unable to download and store accounting and payroll data as needed. Reconciliation of PERS members' account information would be incomplete. Internal controls, reconciliation, distribution of information, maintenance of vendor files, vendor withholding, 1099 training, and filing would be disrupted for warrants and ACH activity. Mail would not be delivered to the variety of locations needed. Verification of terms and conditions would not occur; nor would assistance with development of requests for proposals for procuring goods and services. Payroll checks and stubs would not be available to employees at the level required.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

None.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

As state assessments and enterprise-wide costs are centralized for OHA, this affects the entire agency.

10. WHAT IS YOUR EQUITY ANALYSIS?

Not applicable.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): July 1, 2017

End Date (if applicable): N/A

a. Will there be new responsibilities for OHA? Specify which Program Area(s) and describe their new responsibilities.
N/A

b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.
Not applicable.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.
Not applicable.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.
No.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?
Not applicable

f. What are the ongoing costs?
The amount requested is a one-time transfer into the SAEC budget to cover the increased costs of use. If use increases beyond this POP's underlying projections, additional funding may be needed at a later date.

g. What are the potential savings?
If use of these services were to decrease, there would be a savings to this budget.

h. Based on these answers, is there a fiscal impact?
Yes.

TOTAL FOR THIS PACKAGE

Category	GF	OF	FF	TF	Position	FTE
Services & Supplies	$1,390,305	$363,041	$1,222,961	**$2,976,307**		
Total	**$1,390,305**	**$363,041**	**$1,222,961**	**$2,976,307**	**0**	**0.00**

OHA - Fiscal Impact Summary by Program Area:

	State Assessments & Enterprise-wide Costs	Total
General Fund	**$1,390,305**	**$1,390,305**
Other Fund	**$363,041**	**$363,041**
Federal Funds- Ltd	**$1,222,961**	**$1,222,961**
Total Funds	**$2,976,307**	**$2,976,307**
Positions	**0**	**0**
FTE	**0.00**	**0.00**

What are the sources of funding and the funding split for each one?

State Assessments & Enterprise-wide Costs
Revenue Impact:

Description of Revenue	OF	FF	TF
Licensing fees (Comp Srce 0975)	0	0	0
Medicaid (Comp Srce 0995)	0	0	0
Other (Comp Srce XXXX)	0	0	0
Other (Comp Srce XXXX)	0	0	0
Other (Comp Srce XXXX)	0	0	0
Total	**$0**	**$0**	**$0**

Oregon Health Authority
Affirmative Action Report

This report summarizes the progress that the Oregon Health Authority (OHA) has made in accomplishing its Affirmative Action goals for the 2015-2017 biennium and identifies the agency's goals for 2017-2019.

ACCOMPLISHMENTS: 2015-2017

The Oregon Health Authority continues to work to develop a diverse and inclusive organization. The agency is working to achieve a more culturally competent work force, create culturally appropriate, responsive and effective programs and service delivery systems, and develop quality improvement strategies. The OHA Affirmative Action Plan is a key component of the agency's ongoing diversity, inclusion and civil rights efforts. The plan and other initiatives serve to enhance the diversity of our workforce, provide equal employment opportunity, provide guidelines for organizational change and increase participation by diverse constituencies in agency operations. They also guide leadership and management to work to eliminate institutionalized and individual discrimination in the workplace. A diverse and culturally competent workforce assists OHA to better understand and respond to the needs of community and the people of the state of Oregon.

Especially notable in this reporting period was OHA's implementation of the *Equity and Inclusion Initiatives* developed in the 2013-2015 biennium. These initiatives serve as the equity, inclusion and affirmative action policy foundation for the agency and include the following: Discrimination and Harassment Free Workplace, Employee Resource Groups, Diversity Recruitment Policy, Non-Discrimination Policy for the Public, Supplier Diversity, Language Access, Bilingual Proficiency, Americans with Disabilities Act, Cultural Competency Continuing Education and Diversity Leadership Team.

Additionally the Office of Equity and Inclusion was elevated in 2016 to be one of the seven divisions of the Oregon Health Authority, which also include Public Health, Health Systems, External Relations, Health Policy and Analytics, the Oregon State Hospital and Fiscal and Internal Operations.

Progress toward established Affirmative Action goals and Program Development

The following is updated information highlighting significant strategies and progress made toward achieving our 2015-2017 goals:

1. **Meet and exceed parity in all EEO job categories and subcategories.**

   - Increased total agency-wide representation of people of color (POC) by one percent since June 30, 2014.
   - Increased the representation of people of color (POC) at salary range 24 and above by one percent since June 30, 2014.
   - Consistently exceeded market standards in terms of the employment of women which is 64 percent of the current OHA workforce.
   - Increased the total agency-wide representation of people with disabilities by .5 percent since June 30, 2014.
   - Increased the representation of people with disabilities at salary range 24 and above by .7 percent since June 30, 2014.
   - Updated the parity calculation for OHA from the Governor's Office year 1990 figure to year 2009 using demographic data from the American Community Survey (ACS).

- Recruited applicants of color by posting job announcements through culturally specific newspaper publications, civic organizations, listservs and a new electronic platform called STORI.
- The Office of Equity and Inclusion Division and the Office of Human Resources collaborated to test the procedures developed in conjunction with the Diversity Recruitment Policy which requires a diversity recruitment plan for all recruitments, diverse interview panels and diverse candidate pools.

- Participated as a sponsor of multiple outreach events with groups such as the Portland Metropolitan Hispanic Chamber, Asian Pacific American Network of Oregon, Native American Youth and Family Center, and the Oregon Latino Health Coalition.

- Participated in multiple job fairs throughout the state which focused on applicants from communities of color, people with disabilities and Veterans, including OHSU Night for Networking, City Career Fair, and a variety of higher education and culturally specific events.

- Developed and implemented training on implicit bias for hiring panels to promote awareness of individual personal biases and assumptions in decision making processes.

2. Increase OHA focus on retention.

- Assessed the agency's hiring and retention practices for people of color and people with disabilities at all salary levels, disaggregating at Salary Range 24 and above.

- Created five (5) Employee Resource Group including the Black Employees Resource Group, the Differently Abled Worker Network and LGBTQ+, which engaged 125 OHA employees.

- Consulted on the development and delivered equity and inclusion related information at the New Employee Orientation in Public Health and for the overall agency.

- Upheld rigorous standards for non-discrimination investigations internal to the OHA workforce and external for the public.

3. **Increase OHA focus on equity, diversity and cultural competency.**

- Agency Director elevated the Office of Equity and Inclusion to an OHA agency division.

- Operationalized the agency's core value regarding Health Equity and integrated diversity, inclusion and health equity strategies, outcomes and metrics into OHA's top 10 operational priorities.

- Vetted, approved and contracted with six Equity and Inclusion Coaches to provide technical assistance and training to OHA, CCOs and partners in the health system.

- Adopted the Alternate Format and Language Access Services (AFLAS) Policy for people with disabilities and linguistically diverse populations.

- Agency diversity and inclusion staff provided consultation and review of policies and procedures to ensure that elements of cultural competency and cultural appropriateness are embedded throughout such policies.

- Ensured legislative concepts, bills and budget proposals include consideration of equity, diversity, inclusion, cultural competency and cultural appropriateness, utilizing Equity Lens tool developed by the Office of Equity and Inclusion Division.

- OHA sponsored Regional Health Equity Coalitions hosted 122 community trainings throughout the state.

- Over 130 community based organizations are represented and engaged in six Regional Health Equity Coalitions, covering 10 Oregon counties and the Confederated Tribes of Warm Springs.

- $71,192 provided in grants and sponsorships to community based organizations focused on equity, diversity and inclusion.

- Developing Equity Leadership through Training and Action (DELTA) program graduated three cohorts trained in health equity leadership, including one cohort in Eastern Oregon.

- 646 Traditional Health Workers (THW) certified, exceeding the requirement of 300 established by the Centers for Medicare and Medicaid Services (CMS)

- 189 Health Care Interpreters (HCI) qualified and certified, representing seven languages and exceeding the goal of 150 established by CMS

- Two (n=70) cohorts of the DHS/OHA Leadership Academy trained in *Intercultural Conflict Style*

4. Increase evaluation, communication and collaboration to achieve Affirmative Action Goals.

- Improved complaints data base to track discrimination, harassment, retaliation and systemic issues in the workplace. Conducted analysis and reporting to identify areas for improvement.

- Engaged 70 equity researchers via the quarterly Health Equity Researchers of Oregon meetings/trainings.

5. Improve ability to measure and benchmark data to document progress and barriers to achieving Affirmative Action goals.

- Continued to collaborate with other state agencies and community based organizations around best practices to meet community needs and better ensure the delivery of culturally responsive services and development of a diverse workforce.

- Participated in ongoing consultation and review of Coordinated Care Organizations (CCOs) to ensure ongoing integration of equity, diversity and inclusion best practices.

- Assessed and advocated for the integration of health equity into all programs and activities within OHA.

- Implementing the Race, Ethnicity, Language and Disability (REALD) Rule for demographic data collection in all data sets including workforce.

STATISTICAL SUMMARY

As of September 2015*, in OHA:

- There were 4427 employees

- Women represent 64 percent of all employees.
  - Women represent 61 percent of all employees at salary range 24 and above

- People of color represent 20 percent of all employees.
  - People of color represent 14 percent of all employees at salary range 24 and above

- People with disabilities represent 2 percent of all employees. This number represents only those employees who voluntarily disclose disability status.
  - People with disabilities represent 2 percent of all employees at salary range 24 and above

- Among the new hires in the third quarter of 2015:
  - 68 percent were women
  - 15 percent were people of color

- 1 percent were people who voluntarily disclosed a disability

- Among promotions in the third quarter of 2015:
  - 67 percent were women
  - 7 percent were employees of color
  - 0 percent were employees who voluntarily disclosed a disability

*Annual data are not currently available at the time of this reporting.

TRENDS SUMMARY

The agency has experienced a slight increase in the workforce representation of people of color and people with disabilities overall and in management positions. The recorded representation of people with disabilities in the workforce remains low. Statistical data for people with disabilities are dependent on voluntary, self-identification.

2015-20017 Affirmative Action Plan Progress Report

The Governor's Diversity and Inclusion and Affirmative Action Office establishes parity goals for state agencies. The parity calculation has limited data analysis because the parity calculation has not been based on the most current Census data. The Oregon Health Authority was able to utilize American Community Survey data to achieve a more rigorous and contemporary standard. The parity calculation change from a year 1990 statistic to a year 2014 statistic this last year may have impacted the magnitude of the gain recorded from the last reporting period to this reporting period.

By current parity goals (2009), OHA has achieved or exceeded parity for women. People of color and people with disabilities generally remain below parity. OHA continues efforts to recruit and retain people of color and people

with disabilities. OHA has developed and is currently implementing a diversity recruitment policy and procedures that focus additional efforts to attract and retain people of color and people with disabilities.

Corrective Action (2013-2015 and six-year plans)

Although the Oregon Health Authority has been successful in meeting some over-all goals, analysis of the disaggregated figures provide further opportunity for the OHA to improve the performance of its various divisions and major programs, especially in the recruitment and retention of people with disabilities.
The Oregon Health Authority's Executive Leadership Team, in partnership with the Office of Equity and Inclusion Division, is implementing programs and systems that will in 2017: **(1)** provide general management training and specific professional development and accountability in the areas of health equity, diversity and inclusion, **(2)** focus resources toward the recruitment and retention of a more diverse and inclusive workforce, and **(3)** address systemic issues that present barriers to the development of a diverse and inclusive workforce.

Focused initiatives will continue to be emphasized to:

Hold management accountable to achieve greater workforce diversity representation and diversity and inclusion goals specific to their area of responsibility.

Develop employees from underrepresented groups to be better prepared to apply for professional and managerial roles. Leadership development and mentoring opportunities will be increased and focused.

Provide managerial and non-management staff with training and development opportunities to support career development, organizational growth and effective inclusive and culturally responsive service delivery.

Work to better maximize the E-Recruit system as a tool for monitoring and ensuring equal employment opportunity by identifying adverse impact or unnecessary barriers to entry.

Continue making proactive use of existing focuses recruitment programs particularly those designed to recruit people with disabilities.

Expand partnerships with local, state and regional community based organizations, particularly those with ties to people with disabilities.

Improve communication of our commitment to affirmative action and equal employment opportunity through continual program, policy and practice review and the dissemination of this information both internally and externally.

Continue to act upon recommendations made as a result of a comprehensive review of OHA employment practices (recruitment, hiring, retention and promotion) of people of color and people with disabilities, conducted by contractors approved by the Governor's Affirmative Action Office in 2010.

Further develop a strong Diversity Leadership Team, Employee Resource Groups and a mentoring structure throughout OHA.

AFFIRMATIVE ACTION GOALS FOR 2015-2017

The following goals which were identified by an affirmative action planning group from OHA for 2013-2015 are currently being re-evaluated for the 2017-2019 biennium.

1. Meet and exceed parity in all EEO job categories and subcategories.
2. Increase recruitment and retention of work force that is representative of the changing demographics of Oregon. This includes veterans and people with disabilities.
3. Increase OHA implementation and practice of equity, diversity, inclusion and cultural competency in services and in the work place.

4. Increase ability to measure, evaluate and set benchmarks of data, documenting barriers to achieving progress on the affirmative action goals.
5. Maintain and improve communication and collaboration to achieve affirmative action goals.

Oregon Health Authority
AUDIT RESPONSE REPORT

1. DHS and OHA: Statewide Single Audit Including Selected Financial Accounts and Federal Awards for the Year Ended June 30, 2013, audit # 2014- 09, (dated April 2014)

- We recommend department management improve controls in the Receipting Unit to ensure all checks are safeguarded, properly tracked and accounted for in the financial records.

  The agency appropriately segregates the duties of handling checks in its Salem facility. Under the current system, checks received by mail are sorted by category, recorded by count and delivered to the staff member that is responsible for that category. The item count can be reconciled from the online deposit system reports to an excel spreadsheet created by the unit.

  The count and amount of checks received through this process is a small portion of the total revenue recorded by the Receipting unit.

  We have strengthened internal controls on the handoff of checks by including, in addition to a count of checks, the dollar amount, reconciliation, and a check redistribution log.

  As of June 2015, the OFS Receipting unit has overhauled the check scanning process and now images checks into OED (On-Line Electronic Deposit) immediately. There is no longer a reconciliation of a manual process. This finding is complete.

- We recommend department management align policies and procedures with governmental accounting standards to record expenditures in the proper period and we recommend management provide training to staff to ensure that prior period adjustments are utilized when appropriate.

We disagree with the materiality of the finding, although we agree that the operational controls can be improved. Each year the agency records regular, routine transactions to refinance revenue and expenditures related to lagged receipt of various revenue sources. As mentioned in the audit finding, these are normal transactions that occur as part of our regular business process.

In 2009, due to the large dollar amount of these transactions, the agency asked for advice from the Department of Administrative Services, Statewide Accounting and Reporting Services (SARS) on the proper use of prior period adjustments for these transactions. In response, SARS stated, "it's not appropriate to incorporate a prior period adjustment into a routine practice. Prior period adjustments should be reserved for (those infrequent) corrections of errors." This advice was consistent with both the Oregon Accounting Manual (OAM) 15.85.00.PO and related governmental accounting standards outlined in Governmental Accounting Standards Board (GASB) circulars.

During the 2013 statewide financial audit, auditors again recommended prior period adjustments for routine transactions. On December 3, 2013, the agency, Secretary of State Auditors and SARS met again to discuss the issue. At the meeting, SARS leadership agreed with the auditors that these transactions could, most likely, require prior period adjustments. The agency stated their belief that use of prior period adjustments for routine transactions was contrary to the OAM and GASB.

To ensure that the agency was not in violation of OAM, the agency stated that it would change the practice of recording prior period adjustments (to include material routine transactions) if the OAM were updated to reflect the change.

On December 5, 2013, SARS updated OAM 15.85.00 to include new language on when to record a prior period adjustment for these types of transactions.

Since the change in language in the OAM, the unit has started reviewing all adjustments that occurred during fiscal year 2014 to see if prior period adjustments needed to be done. Clarification to staff of the change in the OAM occurred through the use of Office of Financial Services newsletter, training information shared with Grant Accounting unit, and a process update to improve ability to capture data that would need prior period adjustments.

- We recommend department management review and revise accrual methodologies for revenues and expenditures, as necessary, and perform periodic retrospective comparisons of accruals to actual amounts to ensure the accrual methodologies are reasonable.

  Due to an error during year-end reporting the healthcare provider tax (HPT) revenue, drug rebate revenue and Medicaid Management Information Systems, expenditure accrual estimates were based on a 60-day rather than a 90-day availability period. This accounted for three of the four audit comments in this finding.

  As a corrective action, beginning in fiscal year 2014, the Statewide Financial Reporting unitmodified its processes to ensure all governmental fund accrual calculations were based on the 90-day availability period. If actual HPT revenues were not known during month 13 financial adjustment periods, the agency used estimates such as trends and projections based on Generally Accepted Accounting Principles (GAAP). The estimates are compared to actuals for reasonableness.

  Statewide financial reporting timelines require agencies to record accrual estimates within approximately 30 days after the end of the fiscal year even though the accrual period doesn't end until 90 days after the end of the fiscal year. This timeframe produces variances between the estimates and actuals. The fiscal year 2013 variances were partially due to the inherent nature of using estimates. The $17.4 million and the $7.5 million variances seem high, but only make up 6.4% and 2.8% of the total accrual of $270 million.

  Although variances of actuals and estimates are expected, the agency agrees that accrual amounts should be compared to actuals, and future accrual modifications should be implemented as needed. Therefore, as a corrective action, beginning in 2014 the Statewide Financial Reporting unit implemented a yearly review of its operating statements to document variances and adjust accruals if needed.

  Clarification to staff of the change in the OAM occurred through the use of OFS newsletter, training information shared with Grant Accounting unit, and a process update to improve ability to capture data that would need prior

period adjustments. The Statewide Financial Reporting unit has reviewed and updated accrual methodologies as appropriate.

- We recommend department management implement internal controls to ensure that all insurance premium revenue due to the department is received, properly classified, and properly recorded.

  The agency reported the correct amount of Oregon Medical Insurance Pool (OMIP) and the Federal Medical Insurance Pool (FMIP) cash in Fiscal Year 2013. We agree that $5 million of this cash was incorrectly classified as insurance premium revenue, and instead should have been classified as reduction of expenditures. The incorrect classification had no equity impact on the GAAP fund.

  The error occurred primarily because the agency received incomplete revenue reports from Regence in fiscal year 2013. Therefore, beginning in fiscal year 2014, as a corrective action the agency will obtain detailed reports from Regence and adjust its records to correctly classify and report the insurance premiums and reductions of expenditures.

  The FMIP program closed at the end of fiscal year 2013, but the OMIP program was open through the end of December 2013, and the six months of operation will be included in the agency analysis.

  To address audit finding 13-004, in fiscal year 2014 the agency has obtained detailed reports from Regence necessary to determine the source of cash remitted by Regence, and appropriately recorded the cash received based on information available at the time. These reports were received and incorporated in the accounting record on an ongoing basis during fiscal year 2014.

Additionally, to ensure all insurance premiums due to the agency are remitted by Regence, the agency is utilizing the methodology used in the audit analysis, multiplying monthly member contract counts by the relevant premium rates, and reconciling the results with amounts reported and deposited by Regence for the months the programs were open in fiscal year 2014. This analysis was completed for the OMIP program based on information available at accounting close for fiscal year 2014 in September 2014, and the calculated variance was within one percent.

This program has had its closing audit and account has been reconciled for close.

- We recommend department management improve controls to ensure account balances are accurately stated and reconciled to supporting documentation.

  We have inventoried and affirmed the existence of the assets in the building and building improvement account. We have not identified any other buildings or building improvements that had not been listed. We have reviewed the calculations on the asset spreadsheet and corrected any errors identified. We have implemented controls to ensure accuracy going forward including post-review of recorded entries to documentation and calculations.

  The finding was the result of an addition error that has been corrected and should not be an issue in the future. As this was a correction of an addition error, there is no evidence of the correction.

- We recommend department management gain better understanding of controls already in place and implement the necessary complementary controls to provide assurance that all drug rebate revenue is correctly calculated, invoiced, received, and recorded in the accounting system.

  The CareAssist program is administered by the Office of Pharmacy Programs. The program requested and received a response from HRSA/Office of Pharmacy Affairs (OPA) which indicates that the federal agency is strengthening its process for oversight of the pharmaceutical manufacturer's compliance with providing rebates to 340B covered entities and the accuracy of the rebates provided. The actual calculations of the rebate amounts will still be privileged information and will be only for internal OPA use. The program received guidance from HRSA

and will develop a mechanism by which rebates received by CAREAssist are compared over time to identify a variance of more than an expected percentage. The process will be a report automatically generated from the database and will allow the program to follow up with both the manufacturer and OPA for an explanation for the variance.

The Medicaid Pharmacy program was administered through the Division of Medical Assistance Programs (DMAP). While the program had a number of existing reviews, these reviews lacked a formal process, and lacked formal documentation of the review. Program staff will be developing formal processes to adequately oversee the contractor's invoicing of drug rebate. Program staff worked to develop sound methods of documenting the drug rebate invoicing process. Program staff is also worked with the contractor to develop additional controls around disposition of payments and delinquent payment by developing and using existing MMIS reports for review. Each month for our Rebate meeting, a check off list has been created and after each meeting, the signed check off list is scanned along with reports reviewed.

The agency has contracted with an independent firm to perform annual audits in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Attestation Engagements (SSAE) No. 16, Reporting for Controls at a Service Organization, and provide the agency with annual SSAE 16 "type 2 reports" documenting the internal controls and the operating effectiveness of those controls. HP Enterprise Services is required by its contract with OHA to take immediate corrective action to remedy all material weaknesses, deficiencies, or findings identified in a SSAE 16 type 2 audit report. The first annual audit is for state fiscal year 2015, ending in June 2015. The contractor firm is required to submit annual audit reports by the end of September following each state fiscal year.

- We recommend authority management develop a plan that identifies key MMIS edits and implement procedures to periodically test key system edits to ensure they are functioning as intended. We also recommend management review the claims that should have been rejected by age and gender restriction panel edits to verify those claims are appropriate.

  Correct adjudication of Medicaid claims and encounters is a priority for the Oregon Health Authority (OHA). In early 2013, auditors found that the system functionality within the Medicaid Management Information System

(MMIS) regarding age and gender restrictions was not as expected. A change request to correct this functionality was discussed. Recognizing the immediate need, a more expedient work-around response to strengthen the rules around age and gender procedures was created. Modifications to these claim rule tables for age and gender restrictions were put in place until the MMIS Restrictions Panel could be corrected. These diagnosis restrictions were inserted into the claim rule tables on February 19, 2013.

In an attempt to confirm that these rules were functioning correctly, a process to randomly pull 35 claims per quarter to be manually checked by staff was initiated using dates of service starting in the first quarter of 2013. The goal of this process was to see if each claim adjudicated properly based on its unique data parameters, including age and gender restrictions. No issues were found processing the claims dataset from the first quarter of 2013. Review of subsequent quarters was delayed due to heavy workloads brought about by Coordinated Care Organization (CCO) evolutions to cover dental and mental health, ICD-10 implementation work and the manual enrollment processes associated with the Patient Protection and Affordable Care Act of 2010 (ACA) Medicaid expansion.. Going forward, the random claim pull will be modified to specifically focus on age and gender related procedures and other key edits, such as provider and client eligibility.

With the claim rule table modifications completed, the lack of functionality of the MMIS Restriction Panel was again brought forth in late 2013. Work on the permanent correction to the Restriction Panel began in December 2013, with the creation of a change request. It is anticipated the correct panel functionality would be restored as of January 31, 2015.

The authority intended to identify the key edits based on frequency of posting and posting on high-cost claims. Once the key edits are identified, random samples of claims that posted a key edit will be pulled and reviewed manually for correct payment. It is planned this will be done each quarter with the sample size of 20 to 25 claims per quarter. The results of these reviews will be recorded for documentation purposes. A change request to help implement this process has been created.

There was a change request to "fix" the age and gender restriction panel. Change request 19586, Restriction Panel: Age/Gender/Lifetime Edits. The primary/majority functionality, 31417-0, moved to Production on October 19, 2014. However, change request 31417-1, to address the institutional claims, is currently in Ready for

Production and is waiting behind the ICD-10 ties that we have been reviewing. We expected this change request to be completed by December 31, 2015.

- We recommend authority management maintain evidence of the initial and renewing database checks for enrolled providers.

  It is important to the Division of Medical Assistance Programs (DMAP) that all program integrity requirements to keep excluded persons or entities from participating in the Medicaid programs be followed. Checking the multiple exclusion databases for newly enrolling Medicaid providers has been operational since March, 2011, when the Patient Protection and Affordable Care Act of 2010 (ACA) became effective. The processes necessary to comply with these checks are documented within the provider enrollment policy and procedures manual.

  In addition to newly enrolling providers, all providers within the Medicaid Management Information System (MMIS) are checked against the Medicare Exclusion Database (MED) on a monthly basis. This monthly MED search results in a report being produced that indicates possible matches to excluded individuals or entities. This report is then worked by staff who are tasked to make a determination on the validity of a possible match. If the match is verified, the excluded individual or entity would immediately be terminated from the Medicaid program. These processes contribute to the high levels of confidence that no excluded individuals or entities are participating in the Oregon Medicaid programs.

  A prior audit found that historical documentation of these database checks was not sufficient. To address this, an MMIS change request was written on March 28, 2013. This change request was completed and deployed the week of August 25, 2014 and expanded the provider panel to include a series of check boxes where the enrollment staff can record what databases were checked and when they were checked.

  These exclusion database check boxes will be applied to newly enrolling providers. All providers will be documented for exclusion checks upon the completion of the ACA provider revalidation requirement. All enrollments and revalidations that occurred after the August 2014 date now have the permanent evidence of being reviewed. We have targeted the revalidation process for completion by December 31, 2016.

- We recommend authority management develop a security plan that addresses all federally required components, develop and implement a formalized risk analysis program, and ensure system security reviews are conducted timely for all applicable systems involved in the administration of the Medicaid program.

  We agree the Department of Human Services and Oregon Health Authority have not completed all the elements of a formal ADP risk analysis and security review of the Medicaid systems. However, as we have previously communicated, the agencies have traditionally relied on third-party assessments (such as the SOC1 report from TKW), audits from Office of Inspector General, Secretary of State, and the Enterprise Security Office's Annual Information Systems Business Risk Assessment report to provide this information. Security control assessment is included in these assessments. Vulnerability assessment scans of the MMIS system software are periodically performed at least every three years or whenever major changes are made to the system. The last assessment took place in August 2012. The next assessment is scheduled for later in 2014. We use these audits and reports, as well as leveraging reports from the Privacy and Incident Response section, to assist in that determination. While not strictly a formal risk assessment per se, it does provide an analysis of controls from both a system as well as program perspective. In addition, Information Security and Privacy Office (ISPO) staff have conducted security walk-throughs of the State Data Center on a number of occasions as required by the Internal Revenue Service (IRS). The agencies also have the Change Activity Board (CAB) and the Architectural Review Board which gives/requires the Information Security and Privacy Office (ISPO) the opportunity to review proposals for security issues and impact on the IT security environment.

  We also agree that we need to develop a formal risk assessment and security review program based in industry standards and best practices that assesses risks for programs as a whole and not on a system-by-system basis. ISPO has hired a position for this activity and expects to have it in operation by June 30, 2014. It is envisioned that this program will be policy based. The program will use tools and techniques based on National Institute of Technology and Standards (NIST) principles and standards. The overarching goal is to ensure that security risk analysis is conducted when appropriate on a regularly scheduled basis. It is expected that the program will work closely with the Internal Audits and Consulting Unit to ensure that peer review of findings is included as an integral part of the ongoing risk assessment program.

A revised information security policy set was published in March of 2015. The information security policy set forms the basis for the over-arching security plan currently in development under the direction of the Chief Information Security Officer. Additionally, in 2015-2016 the agencies hired a new CISO after a six-month void. A comprehensive system and data inventory is underway and will form one of the pillars of the updated information security plan to be completed December 2016.

The updated policy set includes a risk assessment policy (DHS/OHA 090-006). A program for the conducting of information security risk assessments has been under development in the Information Security and Privacy Office since January 2014. The process by which information security risk assessments are conducted was formalized in a written procedural document in October of 2015 (DHS/OHA 090-006-01). Two information security risk assessments were conducted and completed in 2014. A third information security risk assessment commenced in November of 2014 on the Medicaid Management Information System (MMIS) and the Division of Medical Assistance programs (DMAP) which administers the Medicaid program for the State of Oregon. Phase I of the risk assessment was completed in March 2015. In January 2015, the Oregon Health Authority began an agency-wide restructure. As part of that restructure, and in response to a request from the 2013 Oregon Legislature, DMAP was combined with the Addictions and Mental Health division to form the Health Systems Division. As a result of this major restructure and transitional projects, the planning for Phase II of the risk assessment was postponed pending full implementation of the governance and programmatic structure. Phase II activities will resume in December 2015 after consultation with the Chief Health Systems Officer and the program leadership who administer the Medicaid program.

- We recommend management strengthen its review of balance transfers to ensure costs are not charged to a grant outside of its period of availability. We further recommend management consider implementing a process to limit the charging of costs to a closed grant thereby minimizing the need for corrections.

  Currently, the Immunization section follows the Center for Public Health Practice process, which is, as follows:

  1. *Section fiscal analyst prepares documentation of the original transaction from SFMA with an explanation on why the transfer is requested.*
  2. *Request is submitted to the Practice Program Support Manger (PSM) for review and approval.*

3. *If approved, PSM emails request to the Office of Financial Services (OFS).*
4. *Request is reviewed by OFS divisional liaison.*
5. *If approved, adjustment is entered by OFS.*

Step 1 above was expanded to include attaching source documentation from the original transaction. This allows confirmation that the adjustment is appropriate to the period of availability. A new procedure has been developed to establish a more uniform method for making adjustments. The new expense transfer adjustment policy became effective on June 1, 2014.

- We recommend management ensure the appropriate report is submitted at the end of the grant period. We also recommend management strengthen its reconciliations of Federal Financial Reports to ensure accounting records fully support reported amounts.

  Management emphasized the need for staff to properly identify individual grant reporting requirements and stressed the need to communicate effectively between program staff and the Office of Financial Services (OFS). OFS will review adjustment requests for effective dates and invoice descriptions to determine validity of expenditures. OFS staff will review the Notice of Award and determine if the financial report should be an interim, quarterly, annual or final report. OFS staff will monitor grants after federal reporting has occurred to ensure no additional entries are made and make sure accounting structure is shut down to prevent future occurrences. OFS will expand queries of the datamart to measure expenditures by grant component.

  All adjustments are reviewed by either the Grant Accountant or Division Coordinator to ensure adjustments are in accordance with the notice of award. The invoice description and the date of the original are reviewed. All adjustments are entered by the Grant Accountant or Division Coordinator and then released by a manager or other employee. The Grant Accountant runs a query and verifies on the 66 screen in SFMA no activity has occurred on a closed grant.

- We recommend management ensure controls are in place to review and retain reports used to justify payroll funding splits. Management should ensure funding splits entered into OSPA are appropriate, including those with differences noted during the audit.

The Oregon Immunization Program developed a process for centralized tracking of payroll documents and assigned responsibility to specific positions. Immunization staff was trained on the improved workflow for payroll documents. This process was tested from July 2013 through January 2014, and formalized in Unit Guideline OPS001 (dated January 28, 2014).

2. OHA: Safe Drinking Water Revolving Loan Fund for the Fiscal Year Ended June 30, 2013, audit # 2015- 01, (dated January 2015)

- We recommend the agency continue to refine their financial reporting process to accurately adjust the Safe Drinking Water financial statements to comply with GAAP.

  We agree with the finding. Program has incorporated the adjustments and resubmitted the appropriate financial statements. A process has been developed and documented for the creation and review of these financial statements. An appropriate review will be done by the Statewide Financial Reporting Unit going forward.

- We recommend the agency review its process to ensure payroll charged to a program is allowable and unallowable payroll is detected and corrected timely.

  We agree with the finding that an error was made in our payroll coding. The employee's time was coded to the Technical Assistance set-aside when it should have been coded to the other fund fee-based program, Operator Certification. An adjustment to correct this error has been made and will be reflected in the Fiscal Year 2014 expenditure reports. We are now more closely reviewing our time and activity reports to help us avoid similar miscoding in the future.

3. DHS and OHA: Statewide Single Audit Including Selected Financial Accounts and Federal Awards for the Year Ended June 30, 2014, audit #2015-05 (dated April 2015)

- We recommend department management seek adequate assurance for the accuracy of all financial information they report. Management should have a documented understanding of the controls involved in transactions, whether automated or manual, to ensure the integrity of the information. When necessary, such as for significant financial

systems operated by independent service providers, department management should obtain timely independent assurance over the accuracy and reliability of the information.

Medical Assistance Programs of the Oregon Health Authority released a Request for Proposal (RFP) in late December 2014 to procure an independent contractor to perform annual audits of the internal controls implemented by Hewlett-Packard (HP) Enterprise Services, LLC, for its operation of the MMIS. The selected contractor will be required to perform the annual audits in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Attestation Engagements (SSAE) No. 16, Reporting for Controls at a Service Organization, and provide the agency with annual SSAE 16 "type 2 reports" documenting the internal controls and the operating effectiveness of those controls. HP Enterprise Services is required by its contract with OHA to take immediate corrective action to remedy all material weaknesses, deficiencies, or findings identified in a SSAE 16 type 2 audit report. The first annual audit by the selected contractor was for state fiscal year 2015, ending in June 2015. OHA will require the selected contractor to submit annual audit reports by the end of September following each state fiscal year. Received the first Moss-Adams final report September 2015.

In addition to the ongoing effort to better oversee and document the contractor controls within the drug rebate program addressed in last year's audit, staff from Medical Assistance Programs and the Office of Financial Services meet biweekly with Hewlett Packard counterparts from technical and financial areas to discuss MMIS data questions and anomalies, system testing, outstanding MMIS production changes, and upcoming system changes and impacts. The group also reviews and manages an action item list to document the group's work and those responsible for taking action.

- We recommend department and authority management strengthen controls to ensure sufficient documentation is maintained to demonstrate compliance with federal requirements, support for payment amounts and income is retained, and the client liability is calculated accurately.

  The department will be working within our programs to ensure these requirements are shared with staff and continued to be followed appropriately. Since the period of time covered by the audit, DHS Self Sufficiency field offices have been in the process of moving toward electronic case files as part of our EDMS Expansion project.

As part of this effort, in November 2014 an all-staff transmittal was issued identifying the standardized data capture elements for offices that have moved to electronic case files. This standardization assists in locating documentation in EDMS. Additionally, DHS Self-Sufficiency field offices were also provided with refresher tools on archiving to help in documenting which case files and time frames are shipped to Archives to be scanned.

APD has completed the roll out of the EDMS Expansion and all files are in the process of being converted to electronic format. Training was completed in every field office and AAA throughout the state. It is believed that having files in electronic format will ensure that eligibility documentation is not lost and will be easier to locate when needed.

The department's Aging and People with Disabilities office will remind their managers and staff of the policies, appropriate documentation and retention of applications needed to determine eligibility for our program. These reminders will be agenda items for the APD Program Managers meeting, the APD Supervisors meeting and will be included in an "In the Loop" newsletter article.

- We recommend management develop a security plan that addresses all federally required components, develop and implement a formalized risk analysis program, and ensure system security reviews are conducted timely for all applicable systems involved in the administration of the Medicaid program.

  The authority was in the process of hiring for key positions within the Information Security and Privacy Office (ISPO), including a Chief Information Security Officer (CISO), and a Chief Information Security Architect. The development of a documented security plan was a priority assignment for these individuals once hired. The risk assessment process under development is based on the guidance contained in NIST Special Publication 800-30.

  A revised information security policy set was published in March of 2015. The information security policy set forms the basis for the over-arching security plan currently in development under the direction of the Chief Information Security Officer. Additionally, in 2015-2016 the agencies hired a new CISO after a six-month void. A comprehensive system and data inventory is underway and will form one of the pillars of the updated information security plan to be completed December 2016.

The updated policy set includes a risk assessment policy (DHS/OHA 090-006). A program for the conducting of information security risk assessments has been under development in the Information Security and Privacy Office since January 2014. The process by which information security risk assessments are conducted was formalized in a written procedural document in October of 2015 (DHS/OHA 090-006-01). Two information security risk assessments were conducted and completed in 2014. A third information security risk assessment commenced in November of 2014 on the Medicaid Management Information System (MMIS) and the Division of Medical Assistance programs (DMAP) which administers the Medicaid program for the State of Oregon. Phase I of the risk assessment was completed in March 2015. In January 2015, the Oregon Health Authority began an agency-wide restructure. As part of that restructure, and in response to a request from the 2013 Oregon Legislature, DMAP was combined with the Addictions and Mental Health division to form the Health Systems Division. As a result of this major restructure and transitional projects, the planning for Phase II of the risk assessment was postponed pending full implementation of the governance and programmatic structure. Phase II activities will resume in December 2015 after consultation with the Chief Health Systems Officer and the program leadership who administer the Medicaid program.

- We recommend management develop a plan that identifies key MMIS edits and implement procedures to periodically test key system edits to ensure they are functioning as intended.

  Medical Assistance Programs (MAP) intends to identify the key edits based on frequency of posting and posting on high-cost claims. Once the key edits are identified, random samples of claims that posted a key edit will be pulled and reviewed manually for correct payment. It is planned this will be done each quarter with the sample size of 20 to 25 claims per quarter. The results of these reviews will be recorded for documentation purposes. A change request to help implement this process has been created.

- We recommend that authority management maintain evidence of the initial and renewing database checks for enrolled providers.

  It is important to the authority that all program integrity requirements to keep excluded persons or entities from participating in the various Medicaid programs be followed. Medical Assistance Programs (MAP) enrollment staff has been checking these required exclusion databases per the updated enrollment policies and procedures

manual since March, 2011. As the enrollment effort is largely a paperless process, producing paper screen prints for each database result and matching these prints to the electronic application was deemed impractical. By using the procedures developed for the ACA requirements in combination with the added security of the required automated monthly

Medicaid Exclusion Database (MED) checks, management was confident the intent of compliance to these checks was not compromised from March 2011 to the point where a permanent Medicaid Management Information System (MMIS) solution could be implemented into the production MMIS environment.

The permanent MMIS solution, which consists of a new panel in the provider subsystem where enrollment staff "checks" a separate box for each required database went into production in the MMIS in August 2014. These checking actions are both date stamped and recorded for audit purposes. All enrollments and revalidations that occurred after the August 2014 date now have the permanent evidence of being reviewed. We have targeted the revalidation process for completion by December 31, 2016.

To address future documentation requirements, a change request has been submitted to create two additional labels for the Provider Validation panel. The result of this change will be better documentation for which databases where checked and why, based on whether the provider was revalidated, reactivated or renewed.

- We recommend management ensure compliance site visits are performed timely for all enrolled and active providers.

  The Centers for Disease Control and Prevention (CDC) have added new requirements to the Vaccines for Children (VFC) program over the past two years that create additional work related to provider site visits. These additional requirements, in addition to Oregon vaccine stewardship laws, have increased the length of time spent preparing for, completing, and following up on VFC site visits.

  To address the additional resource expense that the new site visit requirements necessitate, the Oregon Immunization Program is in the process of reviewing, and when needed, reprioritizing work in order to allow for timely site visits, while still complying with other grant-required activities. Tablets will be activated to allow entry

of site visit data directly into the CDC database during the visit. New follow-up templates are being developed to increase the efficiency of provider follow up.

The Oregon Immunization Program set aside time for an on-site review by the CDC April 7-9, 2015 to discuss this compliance issue with our project officer to see if CDC could assist us in finding additional efficiencies or the necessary resources to meet the requirement.

We did not meet the CDC 50% target in 2015. . To address this audit finding in 2015, the Oregon Immunization Program took a variety of steps aimed at impacting the program's ability to meet their federally determined site visit goal. These actions included:

- *Reviewing, and when needed, reprioritizing work in order to allow for timely site visits, while still complying with other grant-required activities.*
- *The use of technology to make the site visits more efficient for staff namely tablets have been implemented to streamline site visits and cut down on double data entry.*
- *Removal of appropriate tasks from staff who complete site visits and assignment of these tasks to lower level staff*
- *Development and use of new templates to increase the efficiency of provider follow-up.*
- *The use of process improvement activities to create additional efficiencies.*

In addition to continuing the steps described above, the Oregon Immunization Program has set in motion the following steps in order to impact the program's ability to meet their federally determined site visit goal in 2016.

- *Two positions on the Provider Services Team (which conducts the site visits) have been reclassified from a Health Educator 2 to a Compliance Specialist 2. This change in position classification will have significant impact on our program's ability to complete our site visit requirements, by creating two positions whose sole pan pose is to complete site visits and site visit follow-up, will complete the bulk of our required site visits,*

and will be freed from the other duties previously assigned to Health Educators thus allowing more focused attention on meeting this audit requirement.

- *We have developed a VFC provider waitlist which will provide additional control over the number of providers requiring site visits. This will help slow the continued growth in the program, especially considering our staffing and resource limitations which have not kept pace with our addition of provider sites.*

Continued data analysis is planned to evaluate the number of staff needed to complete the new are able to maintain in the program, develop justification for potential addition of resources, and support planful growth targeting areas where access to vaccination is of concern, such as rural or frontier• areas of our state.

- We recommend management consider implementing a payroll process that is sufficiently detailed to allow for an efficient and effective review of employee time and coding. We also recommend management ensure controls are fully implemented to document the review used to justify payroll funding splits.

  In April and May of 2014, the Public Health Division completed a large-scale project to address and clarify Time and Activity reporting requirements that come with federal grant funding. This project included development of policies, tools to assist both staff and managers in meeting this requirement, and a mandatory training event for every Public Health Division employee. This training has a component for all employees and then an additional component for managers who review and approve time. Registration for the event was required, and attendance was tracked to ensure all employees received the information. All of the procedures and tools created and presented in training are available on PHD's Intranet for use by staff at any time.

  While the policy clearly states the process and tools to use in reviewing time, we recognize room for improvement in the area of documentation. The only documentation of managers' review and approval of timesheets and work activity coding is currently through the locking of the timesheets. Each manager receives information from the staff assigned to review timesheet coding in comparison with where staff have been assigned to work. If coding does not appear accurate or complete, both the individual employee and manager are notified. The employee is expected to fix errors and respond. After a final review, another email is sent to the managers notifying them that errors are

resolved and timesheets are ready to lock. At this point, if the timesheets are not locked, we do not have a way to demonstrate the review and approval of time by management.

PHD will conduct a rigorous review and make necessary changes to ensure documentation of the manager's approval of the time recorded. This would be in addition to their locking of the employee timesheet. In the interim, the program began creating a more thorough record of the coding reviews that occur, in accordance with the Division procedure, to keep a monthly file of the reports used to verify time (Timesheet Audit and Control report), as well as the communications between staff and with managers that demonstrate the review was completed. Additionally, we assigned staff to review the locking status of the timesheets prior to the period close and followed up with an additional reminder to managers as necessary. We also incorporated a review of the lock reports when received after the monthly close. If there are any unlocked timesheets on the report, the approving manager was required to explain, in writing, why this occurred and what will be done to prevent a recurrence in the future. This explanation will be filed with other review documentation for the month. This will be an accountability and performance measure for the approving manager.

The agency worked with the Department of Administrative Services on a recommendation to enhance the new e-time system to allow both the manager and staff to see the descriptive name of the activity charged at time entry and time locking. This enhancement allows the agency to more efficiently and effectively manage payroll costs charged to grants.

Program has finalized the payroll review procedures. Files have been created, and the initial review of the files was completed in May, 2015.

- We recommend management determine the amount of interest owed to the federal government for Medicaid and CHIP and ensure clearance patterns in the draw calculation spreadsheet are updated annually to reflect any changes in the CMIA agreement.

  We determined the amount of interest owed and included it with our interest spreadsheet which was sent to the Oregon Department of Administrative Services on December 1, 2015. The accountant has put on the calendar a reminder to update the check clearance pattern percent and has also put a note in the spreadsheet to update.

- We recommend the department update the cost allocation plans to reflect current practices and ensure future changes are communicated timely.

  Historically, the agency submitted biennial updates to the cost allocation plan and submitted changes to the plan annually when significant changes were made. There were no significant modifications to the plan during the last year so an update was not submitted to the Division of Cost Allocation.

  The agency agrees that updates to the plan should be submitted annually, even if no changes are made. Further, the agency is currently communicating with the Division of Cost Allocation for guidance on their process for the submission of amendments to the public assistance cost allocation plans regarding mid-year modifications.

  Due to changes in the organizational structure of OHA. Our update of the OHA PACAP will be delayed until April 2016. We will provide this update as soon as OHA finalizes their structure and we have completed analysis of the resulting changes.

4. OHA: SOS Safe Drinking Water Revolving Loan Fund SFY 2014-Applying Agreed-Upon Procedures, audit #2015-17 (dated July 2015)

- We recommend the agency continue to refine their financial reporting process by having a person with experience and knowledge of financial reporting conduct a review of the adjustments prepared for financial reporting purposes.

  To ensure reporting consistency/process improvements, detailed processes for preparing yearly Drinking Water financial statements have been documented in the SFR unit procedures. Audit notes and recommended improvements are included in this process document. Yearly preparers will first review the processes, audit notes, and recommended improvements. They also will consult/train with the prior year's preparer to ensure transfer of information, and to ensure understanding of the processes. Before final report submission, a peer review with another professional level team member will be completed.

- We recommend agency management ensure proper coding of revenues and expenditures to the correct grant phase and set aside fund. Additionally, agency management should ensure that ASAP and SFMA are reconciled on a regular basis to ensure proper accounting of funds.

  To ensure the agency receives the accrual transaction information timely, the Statewide Financial Reporting unit has updated its accrual procedures to include instructions to request the accrual information before July 1 with the year-end task list , and then to check back for this information no later than August 1. To ensure the accrual review will include an analysis of the financial impact, a section has been added to accrual procedures to include review at the comptroller and rollup GAAP object level.

5. Oregon State Hospital: significant Actions Taken to Improve Safety and Promote Patient Recovery, but Further Improvements are Possible, audit #2015-23 (dated September 2015)

- We recommend Oregon State Hospital management develop a plan for improving consistency of case formulations and integrating patient treatment goals with the treatment mall groups offered.

  We have implemented a consistent model of case formulation at OSH. The current training curriculum uses standard work and a standard approach. The curriculum includes Collaborative Problem Solving (CPS) concepts.

  The hospital is establishing a more consistent approach to, and training for, case formulation. Most licensed clinicians (such as psychiatrists, nurse practitioners, psychologists, social workers, and rehabilitation therapists) learn case formulation, most commonly the biopsychosocial model, during their individual clinical training. However, this training varies widely across the numerous universities where clinicians receive their education.

  Effective case formulation is only one step in treatment planning. Case formulations are highly individualized and do not lend themselves to standardized measurements of treatment effectiveness, nor do they provide ready data for identification of treatment mall therapy group need.

Treatment begins with assessment, followed by interdisciplinary case formulation. The formulation guides the team in identifying patient treatment needs. Treatment care planning is a collaborative process in which the clinical team, together with the patient:

- *Determines which treatment needs will be prioritized for focus at that particular time;*
- *Establishes long-term and short-term goals related to those prioritized needs; and*
- *Identifies treatment interventions (which may include group therapies) that will be used to address those needs.*

A formal plan, should encompass more than case formulation. OSH is using the approach of measuring patient treatment needs in three areas:

- *Skill Deficits (using the Collaborative Problem Solving Skills Inventory as we implement this treatment model across the hospital);*
- *Recovery Strengths (using Reaching Recovery scales); and*
- *Risks (using the Short Term Assessment of Risk and Treatability, or START, which is already in use).*

The hospital has followed the auditors' recommendation by drafting a formal plan for improvement that includes:

1. *Expansion of case formulation tools and standard work to include Collaborative Problem Solving concepts*
2. *Clinician training and implementation rollout, including pilots on specific living units*
3. *Ongoing implementation of the Collaborative Problem Solving treatment model (the hospital is currently in the midst of a five-year timeline for training and implementation)*
4. *Employment of Reaching Recovery scales to measure patient strengths*

The overall plan includes a timeline, metrics for evaluating success, and strategies for expanded rollout and communication.

Treatment malls develop class offerings based on the results of needs assessments and the effectiveness of the previous session's groups. Classes are evaluated every 10 weeks. When preparing the schedule for the upcoming treatment mall session, staff review the assessments, treatment teams determinations of effectiveness, and requests from both patients and treatment teams. After identifying which groups are most needed, the treatment malls work with the discipline chiefs to assign programming to group leaders. Depending on where groups are offered, patients may attend groups on multiple malls to best meet their treatment goals.

Patients and their treatment teams judge the effectiveness of groups by measuring the progression or regression for that individual. For example, if a patient is attending a 10-week Anger Management group to work on frustration tolerance, the team will review the progress notes from the group leader to determine whether the patient is attending and how well skills are being developed. The team will also evaluate the patients' behavior on the unit to determine progression.

One example of how the treatment malls are directly responsive to patient need and patient treatment goals is reflected in the increase in the number of Legal Skills groups offered to patients who are committed to the Oregon State Hospital in order to be restored to competency to stand trial. These individuals have been accused of a crime, but the court has determined that they are unable to "aid and assist" their own defense counsel because of their mental illness. The hospital has experienced a significant surge in the number of patients who need these services. Thus, the treatment malls focused resources on expanding Legal Skills materials, sessions, and treatment opportunities. This was recognized by The Joint Commission as a leading practice in our 2015 survey.

To further link/align treatment malls services with treatment plans, an initial pilot project in one mall area (Archways-9 units with 197 patients) is now under review. Briefly, the Archways Tx pilot focuses on alignment of group interventions with treatment planning and standardized documentation. A second iteration, factoring in 'lessons learned' from Archways is on schedule to start up for the Bridgeways treatment mall. It, again, is specific to each patient and their respective treatment care plans and will drive the number and frequency of groups provided.

It is noteworthy that, during a revisit, in May, 2016, a Joint Commission (TJC) surveyor, in observing the Archways pilot, had praise for the linkages of the treatment plans (TCP) to the program services and found all TJC Standards related to TCPs to be in compliance.

- Develop policies and procedures for developing and documenting case formulations; and designing, selecting, and scheduling treatment mall groups.

  We generally agree with this recommendation. Because case formulation is a task that requires structured professional judgment in the case of each individual patient, policy requirements should be limited to:

  - *Use the standardized tool (currently under development) for case formulations; and*
  - *Ensure clinicians are trained in its use.*

  Anything else would venture into the realm of professional judgment.

  The hospital will create a policy by the end of the 4th quarter, 2016, that demonstrates the flow between case formulation, designing curriculum, and scheduling treatment mall classes. The draft policy will be based on lessons learned with pilot projects and identified best practices. The OSH Treatment Services work team initiatives that focused on Treatment Delivery and Program Planning have been completed. The first group, Archways, has standardized group note formats and also have begun to address patient scheduling, program planning, and group evaluations.

  Pilot case formulations & clinical rounding also go through the Plan Do Check Act (PDCA) cycle process. Clinical rounding is occurring in multiple programs at this time and will be reviewed in Quality Council next month. This process has significant depth and breadth of scope. As such, a hospital-wide policy, rather than a departmental protocol will be needed to drive practice. The case consultation process is also reviewed on a programmatic level by the Program Executive Teams of the respective areas.

- Continue to address organizational cultural issues and meet staff training needs to reduce seclusion and restraint (S/R) incidents.

  The hospital has established the OSH Performance System. With clearly defined goals and measures for success, this system provides the structure and guidance necessary to achieve a culture of recovery, person-centeredness, continuous improvement, and Lean empowerment throughout at all levels of the organization.

  The hospital Lean culture fosters the identification of training and cultural needs and creates opportunities for raising quality consciousness and attitudes. Through Lean, the people doing the work each and every day are routinely problem-solving for increased effectiveness and working with leadership to discover improvement needs and opportunities together.

  Hospital leadership continues to prioritize and expand the performance improvement body of work until these continuous improvement efforts become part of the fabric of the organization.

  Integral to sustaining a culture change is ensuring that each person has the core knowledge of requirements, standards, and regulations. As such, the focus for the Seclusion/Restraint Committee and the organization has been updating the S/R policy to current standards, including revised OARs. The policy was reviewed, revised, updated and published in March, 2016. Coupled with the policy rollout was an online training to the specific changes that staff needed to know. The online training was vetted by multiple stakeholders, including patients at OSH. As of June 30, 2016, approximately 1,200 staff had successfully completed the training, which included a competency test embedded within it.

  A downward trend in restraint events has occurred in the last eight months. While it may be difficult to identify Collaborative Problem Solving (CPS) as a cause/effect relationship, it does appear to be correlational as noted

with the units having consistent CPS coaches with reduced restraint events. Over 800 staff, from all levels of the organization, have completed the Tier 1 CPS training.

- Continue to use data to inform decision-making and practice in S/R reduction efforts.

  The efforts of the Seclusion and Restraint Committee have continued in earnest, in partnership with the clinical leadership and Data and Analysis teams. The Seclusion and Restraint Committee is accountable for reporting results to OSH Cabinet via the OSH Performance System quarterly performance review process as part of the overall Performance System framework. This will ensure appropriate visibility and intensity of efforts toward reducing seclusion and restraint.

  In addition, the hospital engaged in comparative work with the Western Psychiatric State Hospital Association (WPSHA) and the National Association of State Mental Health Program Directors' research arm, the National Research Institute. These collaborations allow the hospital to engage in regional and national discussions of best-practices in seclusion and restraint, standardize terminology and criteria, and identify the appropriate benchmarks for its organizational efforts.

  A comprehensive personnel database (CPD) to collect a range of information has been established and findings can be provided in future Secretary of State updates. Seclusion and Restraint Committee, Protection From Harm Committee and Program Executive Teams all use specific S/R data captures to determine resource allocation and pilot projects. OSH has had a trend established for the last eight months of reduced incidence of restraint events and a three month period of reduced seclusion event frequency and reduced duration in seclusion or restraint per episode.

- Continue Collaborative Problem Solving and Safe Containment implementation with real time coaching to ensure staff are competent in their new skills and consistently applying the methods.

  Safe Containment training continues on a daily basis to be available to staff on all shifts, and implementation of the Collaborative Problem Solving (CPS) model continues to be a top hospital priority. Since implementation over 800 staff have been trained in CPS tenets.

As noted above, there has been a significant push to get staff trained in CPS. OSH also hired a CPS trainer with extensive knowledge and experience in CPS. This level of expertise will provide mentoring for the advanced training sessions. This information has been presented in multiple Quarterly Performance Review sessions, most recently in May, 2016. We have gone from nine trained coaches assigned to units to sixteen trained coaches in order to systematically expand to other units. The CPS Breakthrough document is attached for reference.

- Update policies and procedures that guide the on-the-job training of nursing staff to ensure consistency among the programs.

  Nursing Services is currently establishing a comprehensive orientation program that includes mentoring and on-the-job training for all nursing staff. As this program continues to develop, Nursing Services will create the accompanying protocols and evaluation tools to ensure that all new nursing staff receive the appropriate level of both classroom and on-the-job training.

  We have established a focused Nursing Training Department with seven staff and starting in early 2016, they rolled out a six week, 'boot camp' for new Mental Health Technicians. Coupled with the boot camp, which includes mentoring elements, many nursing staff have also gone through the introductory, Tier 1, and Tier 2 Collaborative Problem Solving trainings. As these curricula are validated, policies will be created that drive future trainings based on "lessons learned".

- Consider reestablishing the mentoring program for nursing staff and provide adequate incentives for mentor participation.

  From January 2015 through January, 2016, the hospital launched the Leadership, Encouragement and Development (LEAD) program for all unit nurse managers and unit supervising registered nurses. This program focused on leadership and management skills that will create more consistent unit leadership across the hospital.

  The first round of a RN training program that had mentoring elements was completed in January, 2016. While the program had some positive feedback, new nursing leadership is reviewing future options. One option being considered is an interval mentorship model.

Regarding the mentoring process, all of the program level associate directors of nursing now have mentors as well as other management level staff. This mentoring model goes up to the current interim Chief Nursing Officer as well who has a mentor.

Since its' inception in April, 2015, every new mental health therapist (MHT) and habilitative therapy technician (HTT) goes through a highly structured six week orientation or 'boot camp'. The course started out as four weeks and it was necessary to expand it to six weeks. During this orientation, they work closely with instructors who guide them through the Trauma-Informed Care model that prepares them to build positive therapeutic relationships with patients based on empathy. First, new employees gain an understanding of concepts in a classroom setting. Then they are partnered with an MHT mentor on the unit who helps the new employee put newly learned skills into practice. They then return to the classroom and debrief the on-unit experiences. We believe this method of training will lay a firm foundation for reducing incidents of aggression and decreasing the need for seclusion and restraint.

The change in orientation with the MHTs and HTT was intentional, as they constitute the highest percentage of the hospital's nursing staff and generally come less prepared to work at a psychiatric hospital than registered nurses (RNs). The boot camp includes mentoring components along with periodic evaluation/competency testing. To date, over 148 individuals have successfully completed the boot camp. As the boot camp becomes standardized and an integral component for MHTs and HTTs, resources will be able to be shifted to develop a similar, though more intensive program, for RNs and LPNs. As the scope of the RN work is significantly different with respect to seclusion/restraint events, medications, etc., a tailored training process is needed.

- Continue efforts to integrate S/R reduction tools and assessments into individual patient treatment.

  We have continued our current efforts to integrate tools into individual treatment to reduce the use of seclusion and restraint.

  CPS, clinical rounding, and case consultations have been key elements for S/R reduction. With the success of the CPS coaching program, we have found that CPS is more frequently identified in the Treatment Care Plans as a specific intervention to use before going to S/R. Regular clinical rounding, initiated in 2016, also serves as a focal

point to review what has worked and what has not worked in reducing individual S/R events. In addition, Program Executive Teams also review high frequency or serious events to determine options to avoid future S/R incidents.

- Ensure success of the Peer Recovery Services department by providing the new director with the tools and support needed to form a department mission and development plan.

  Since the new director started in January 2015, Peer Recovery Services has hired several more positions, including an outreach coordinator and a coordinator for the Patient Advisory Councils on both the Junction City and Salem campuses. As noted with the summary below, the department continues to expand its capacity to be involved in treatment team meetings, treatment mall service delivery, and community reintegration.

  We continue to grow in delivery of peer supported services. We have increased provision of engagement services on two of the mall areas, and have recently partnered with the psychology department. We have participated with OSH patients in two community peer-centered conferences for 48 hour periods, as well as continuing with bridging services, accompanying & assisting patients that are working with Disability Rights Oregon/ Protection & Advocacy for Individuals with Mental Illness / Oregon Consumer Advisory Council, and variety of other peer empowerment activities. At the present time, we facilitate the use of the Sjolander Empowerment Center for 4-8 mall groups a week. Peer Recovery Services (PRS) also facilitates three groups in the Crossroads Mall, two of which are assisting patients in community integration activities. PRS is involved in facilitation of four groups in the Bridges Mall, one of which is the all-day Peer Bridgers outing. In the Archways & Springs programs, interventions have focused on individual referrals at this time, except for the two weekly Springs Mall group to the Sjolander Empowerment Center. We have begun to shift part of our focus to activities also outside of the mall hours

  There remains 2.5 Peer Recovery positions to be filled. We are working to revise the Position Description to broaden recruitment and focus on requiring a shared lived experience as a person with actual training, or experience doing peer support. A Program Analyst 2 position is ready to be placed into recruitment as well.

  We have also been a part of the Civil Population Community Re-integration Team, which adds 2 contracted Peer Support positions, as well as a Person-Directed Trainer, with the monies appropriated to OSH to improve transition services of those under a civil commitment. The PRS department has already sponsored training on this as well as purchasing materials to improve this service.

One of the PRS staff was able to receive training in facilitating a support group for people who experience Alternative Realities (auditory & visual hallucinations) and has partnered with the OSH Psychology Department to offer this group hospital wide. The PRS Peer Advisory Council (PAC) Coordinator continues to facilitate 6-7 meetings a week, & has worked with the OSH LEAN Management team to improve and engage the communication / problem solving process with OSH teams. This has been augmented by the development of a PEER Leadership team, PAC sub-committees, & quarterly retreat/ planning sessions, the latter which invites various departments to this session to engage in education & problem solving discussions.

OSH PRS staff have been active participants of the continued development of the Marion-Polk Peer Coalition and the peer led / sponsored activities in the local community that have included OSH patients.

Peer Recovery Services is developing, internally, a mission, vision, and value statement that is more consistent than that developed by the external consultants. In October/November, 2016 retreat, we will craft more accurate measures of what PRS reflects. In researching similar advocacy groups, PRS is inspired by the powerful, & simple mission statement of NARA up in Portland: "Mission Driven, Spirit Led."

- Continue to ensure stakeholders and consumers have a role in S/R reduction efforts.

  Consumers and other stakeholders have been active members of the hospital's Seclusion and Restraint Committee for several years, and they will continue to be.

  Multiple efforts have been made to involve external stakeholders and to involve current/former patients. The Hospital Advisory Board has also sought out membership support with the S/R Committee work. Currently, we do have a person undergoing the background checks to fill the final public position on the committee and have two patients who may be able to represent and alternate participation.

- Continue to work with the Governor and legislature to fill vacant seats on the Oregon State Hospital Advisory Board.

Since the Secretary of State audit, OSH administration and the Advisory Board have worked with the Governor's office to identify all vacancies and have identified applicants for all positions. We expect the legislature to approve the new members in September, 2016.

- Continue efforts to finalize the hospital's debriefing policy.

  The hospital is focusing the debriefing policy and ensuring that it is well aligned with the Collaborative Problem Solving treatment model.

  Draft debriefing policy was reviewed in the 2nd quarter of 2016 by the Seclusion and Restraint Committee and found to be too broad in scope. In the 3rd quarter, 2016, the revised policy will be focused specifically on seclusion and restraint debriefing. Since the implementation of CPS, there is a separate type of debriefing/review that occurs related to the CPS processes and those will be incorporated into the policy.

  It should be noted that CMS does not have requirements regarding debriefing and TJC is removing all recommendations/standards for debriefing effective 1/1/2017. We believe debriefing to be person-centered, best practice.

- Develop strategies that could limit unscheduled absences where possible.

  We agree that unscheduled absences, or "call outs" as they are called at the hospital, continue to be the leading driver of overtime. However, this issue is closely tied to the labor management agreement, and any limits as recommended must be negotiated accordingly. In the meantime, the hospital will continue to address this issue through available personnel policies and procedures.

  No progress made in last union bargaining session in this regard to overtime limitations for employees.

  In February 2016, an independent, outside consultant, AKT Advisors, conducted a study of OSH direct care staffing practices. The study supported the staffing policy of the hospital and the hospital's efforts to expand a direct care staffing float pool, "OSH is requesting an additional 203 FTE; the methodology of the calculation

appears to be sound." It's clear due to the amount of overtime, call-outs, vacancies and increasing patient acuity, that more direct care staff are needed.

Float pool staff are used to assure required staffing levels are achieved within planned/reasonable overtime levels. In addition, OSH has and will continue active review of sick, FMLA/OFLA, and unauthorized leave to identify patterns and abuse for follow up with coaching and discipline action.

Additional actions regarding staffing are noted below:

- *Implementing a program to expand the pool of staff who qualify to provide some of the services that Mental Health Technicians had been provided.*
- *Increasing the size of the on-call float pools.*
- *Establishing service contracts with multiple nurse staffing agencies to increase availability of contracted nursing staff.*
- *Allocating nursing leadership to oversee hiring of nursing staff more efficiently.*
- *In response to identified recurrent needs, RNs have been offered an option to 'test out' a night shift for 30 days. The short term goal is to temporarily cover existing needs in a safe and planful way, and the long term goal is to permanently fill vacant positions on the night shift with staff currently working other shifts.*
- *Increasing communication between Nursing Staffing Office and nursing managers to discuss upcoming staffing needs, approve/document safe staffing levels based on real-time unit acuity and patient care needs, and problem-solve situations of low staffing.*
- *Implementing an automated messaging system to notify staff when overtime is available, effective July, 2016.*
- *Exploring option of offering overtime to non-nursing staff who can assist with non-nursing-specific tasks. For example, a recreational specialist could supervise a patient activity or an office coordinator could answer phones, freeing nursing staff from these functions. In turn, this would lower the number of nursing staff needed to meet patient care and safety needs.*
- *The Nursing Services Staffing Committee meets regularly to review progress, review ratios, adjust ratios, identify recurrent staffing needs, consider staffing alternatives, and make recommendations to address staffing issues.*

- Develop policies for managing staff overtime.

We agree that a limit should be placed on the number of overtime hours an employee is permitted to work. Recent efforts to revise the union contracts on this issue were unsuccessful.

OSH does have a policy and process to manage overtime by 1) its policy and practice of ratio based determination of required direct care staffing and twice weekly review of actual staffing to the required ratio based levels to assure compliance, 2) constant review and follow up/disciplinary action of staff call out patterns and excessive sick time use, and 3) efforts to expand OSH float pool staff to assure required staffing levels are achieved within planned/reasonable overtime levels.

No progress made in last union bargaining session in this regard to overtime limitations for employees. In February 2016, an independent, outside consultant, AKT Advisors, conducted a study of OSH direct care staffing practices. They concluded that: "the methodology of the calculation appears to be sound. In speaking with our outside council, OSH's delivery model is well known and viewed favorably by others in the industry." The report supported establishment of additional float staff to address excessive OT, noting: "OSH is requesting an additional 203 FTE; the methodology of the calculation appears to be sound. It's clear due to the amount of overtime, call-outs, and other vacancy and increasing patient acuity more direct care staff are needed." The report recommended "Hire additional staff to cover the vacancies created by absenteeism and covered leave as well as meeting the staffing needs of precaution requirements."

Nursing Services Staffing Protocol 2.150 was revised and updated on 8/15/15. This included revised ratios for all areas of the hospital. This protocol is again under review of staffing assignments to the residential program and hospital program.

- Provide training to staff on the causes and effects of fatigue and on how fatigue may impair their ability to provide safe patient care.

  The hospital agrees that training on the effects of fatigue could provide some benefit.

  In an analysis completed in early 2015, the hospital found no correlation between staff who work a high number of overtime hours and staff who were alleged to have abused or neglected (e.g., slept on the job) patients, however the hospital agrees that training on the effects of fatigue could provide some benefit.

It should be noted that addressing fatigue is more of a reactive process. While there is value addressing fatigue head on, a Failure Mode Effects Analysis process can identify steps to take, proactively, to mitigate fatigue issues earlier. The organization has taken a preliminary step towards a more proactive approach by meeting with PEBB, MODA, and Pacific University to begin a potential collaboration and pilot project to better manage stress. PEBB and MODA have identified that OSH is a high stress environment and are interested in providing some funding and training resources to evaluate if an evidence-based eight week pilot course for 20-25 direct care staff will yield positive results in better management of stress. The business case for this pilot is under development.

Additional actions taken include Superintendent emails about worker fatigue and on-campus resources that OSH provides when staff end up working overtime.

Additional actions are listed below:

- *The impact of staff fatigue is incorporated into the New Employee Orientation (NEO). The NEO program includes a presentation regarding fatigue in multiple slides.*
- *A brochure was created to inform new and current employees of the safety risks related to fatigue in the workplace.*
- *An educational campaign was completed in November 2015 to inform all staff workers of the safety risks related to fatigue.*
- *Fatigue informational signage is posted at key staff entry and staff gathering points which can be reviewed while awaiting entry/exit to/from OSH secure perimeter.*
- *The Superintendent has sent out email notifications about options for sleeping, resting, and meals at OSH, particularly when adverse weather conditions increase staff overtime coverage.*

- Consider using the analytical framework used in our 2012 audit of the Department of Correction's management of personnel costs to see if it is possible to identify cost savings while meeting patient treatment needs and maintaining a high level of patient and staff safety.

  In order to determine how many staff are needed to run a 24/7, 365-day operation like Oregon State Hospital, organization leaders use a "posting factor" to calculate staff absences, such as weekends, sick leave, vacations, holidays, etc.

Hospital leadership has reviewed the Department of Corrections (DOC) audit analytical framework to determine whether it can be applied in a psychiatric hospital setting. The Oregon State Hospital uses a "posting factor" of 2.0 to calculate staff absences, such as weekends, sick leave, vacations, holidays, etc. This means that OSH needs to hire two nursing staff to ensure coverage for all assignments dedicated to patient units. We are currently reviewing actual hours of staff absences to determine whether 2.0 is the correct posting factor to use for OSH according to the analytical framework of the DOC audit.

In February 2016, an independent outside consultant, AKT Advisors, conducted a study of OSH direct care staffing practices. They concluded that: "the methodology of the calculation appears to be sound. In speaking with our outside council, OSH's delivery model is well known and viewed favorably by others in the industry."

The OSH CFO/COO met with DOC representatives to discuss staffing models and found that DOC was also experiencing high levels of overtime even with their posting factor process in place. OSH shared its staffing ratio model and the tools used to monitor and manage it with DOC. While a posting factor approach would help plan for allowable staff vacancies such as vacations, holidays, and sick leave, it would not account for additional staffing needs for Doctor ordered patient precaution staffing (one or two staff assigned to watch one patient) and the excessive degree of staff absenteeism, both of which are major drivers of OSH direct care staff overtime.

An additional new factor that has impacted the staffing model at OSH includes Senate Bill 469 which places constraints on the use of mandated overtime. As a result, the Nursing Services Staffing Committee is reviewing the staffing allocations across the entire organization. In a few areas, the staffing ratios regarded as being higher than required. This was done primarily for standardization of coverage and to more easily float staff from one area to another. The Nursing Staffing Committee is taking a much more active role and working with other WPSHA hospitals to determine best practice options.

- Complete electronic health records system's implementation while prioritizing resources on automating of processes that significantly impact patient care and converting critical patient information to electronic format.

  The hospital agrees with this recommendation. The hospital has continued to face several challenges during the sequenced rollouts of the electronic health record (EHR) system, and, as noted in the report, parts of the system are still in process of being completed. The Oregon State Hospital Replacement Project team and the hospital,

together with the Office of Information Services (the information technology arm of OHA and DHS), have been working diligently with the vendor to overcome the challenges and to complete the implementation. The incomplete system adversely affects organizational efficiency and, potentially, the quality and cost of patient care.

To expedite the conversion of patient medical records from paper to electronic form, the hospital has retained project management and consulting services to recommend improvements to the conversion process, to assist in implementing those recommendations, and to help accelerate and improve overall clinical adoption of the electronic health record system.

OSH has continued working on the EHR's implementation, while prioritizing resources on automating of processes that significantly impact patient care and converting critical patient information to electronic format.

OSH has worked closely with its optimization consultant to operationalize the EHR functionality and to implement the medication management module of the system which will complete the project. OSH currently estimates that the close-out of the Avatar implementation project will occur during the fourth quarter of 2016.

During the past 12 months, the process-automation focus has been on:

(a) Medication Management (which is intended to reduce medication errors and diversion; due to the need to address issues detected in integration testing, the date for Phase I implementation in Junction City is being postponed from 8/2016 to 10/2016); and

(b) Disaster Recovery (which provides for us to "fail over" from the State Data Center to the Beaverton data center of partner Atmosera within 4 hours, for the Avatar EHR and four applications interfaced to Avatar).

Some components of Medication Management have already been implemented in Junction City, including night cabinets and the Nursing Kardex.

During this same period, we have continued to move documents from the paper record into the EHR, including:

(1) Enhanced Supervision orders;

(2) Informed Consent documentation;
(3) Suicide Risk Baseline Factors;
(4) Rehabilitation Services Assessment;
(5) Spiritual Care Assessment; and
(6) Vocational Assessment.

6. DHS and OHA: Statewide Single Audit Including Selected Financial Accounts and Federal Awards for the Year Ended June 30, 2015, audit #2016-09 (dated April 2016)

- Recommend department management ensure that adequate documentation is retained to demonstrate controls are operating as intended to ensure that expenditures are paid at proper rates.

  The Office of Financial Services has developed a "System Update Tracking Sheet" as documentation when federal funding split codes rate changes are updated or modified in systems. The tracking sheet was implemented with the federal rate changes effective October 1, 2015.

- Recommend department management consider the financial statement impact resulting from adjustments or entries made in underlying coding to ensure amounts are properly reported.

  To ensure the agency receives the accrual transaction information timely; the Statewide Financial Reporting unit has updated its accrual procedure to include instructions to request the accrual information before July 1 with the year-end task list, and then to check back for this information no later than August 1. To ensure the accrual review will include an analysis of the financial impact, a section has been added to accrual procedures to include review at the comptroller and rollup GAAP object level.

- Recommend department and authority management strengthen controls to ensure sufficient documentation is maintained to demonstrate compliance with federal requirements and the client liability is calculated accurately.

  The department's Aging and People with Disabilities office will remind their managers and staff of the policies, appropriate documentation and retention of applications needed to determine eligibility for our program. These

reminders will be agenda items for the APD Program Managers meeting, the APD Supervisors meeting and will be included in an "In the Loop" newsletter article.

The department researched and has taken action on the nine cases with missing applications. For these cases, either an application has been obtained by the office, a current application was found on file, or the client is now deceased. We will also explore best practices to help better document evidence of redeterminations being completed in a timely manner.

In relation to the eligibility coding error identified in the finding, the authority was actively working to renew the individual's benefits. The renewal was completed and benefits closed August 31, 2015. The authority will return the identified questioned costs to the federal government.

The department has returned the federal funds for the one client identified in the finding where the client liability was calculated using an incorrect income.

- We recommend management develop a security plan that addresses all federally required components, develop and implement a formalized risk analysis program, and ensure system security reviews are conducted timely for all applicable systems involved in the administration of the Medicaid program.

  In 2014, the agencies transitioned from the ISO27000 information security framework to NIST SP-800-53, Security and Privacy Controls for Federal Information Systems and Organizations, to reflect the compliance environment of their federal information sharing partners.

  A revised information security policy set was published in March of 2015. The information security policy set forms the basis for the over-arching security plan currently in development under the direction of the Chief Information Security Officer (CISO). Additionally, in 2015-2016 the agencies hired a new CISO after a six-month void. A comprehensive system and data inventory is underway and will form one of the pillars of the updated information security plan to be completed December 2016.

The updated information policy set includes a risk assessment policy (DHS/OHA 090-006). A program for conducting information security risk assessments has been under development in the Information Security and Privacy Office since January 2014. The process by which information security risk assessments are conducted was formalized in a written procedural document in October of 2015 (DHS/OHA 090-006-01). Two information security risk assessments were conducted and completed in 2014. A third information security risk assessment commenced in November of 2014 on the Medicaid Management Information System (MMIS) and the Division of Medical Assistance programs (DMAP). Phase I of the risk assessment was completed in March 2015.

In January 2015, the Oregon Health Authority began an agency-wide restructure. As part of that restructure, and in response to a request from the 2013 Oregon Legislature, DMAP was combined with the Addictions and Mental Health division to form the Health Systems Division. As a result of this major restructure and transitional projects, the planning for Phase II of the risk assessment was postponed pending full implementation of the governance and programmatic structure. Phase II activities resumed in December 2015 after consultation with the Chief Health Systems Officer and the program leadership who administer the Medicaid program.

- Recommend management strengthen controls to ensure only allowable costs are paid for at appropriate federal funding participation rates.

  The Office of Financial Services has a process to cross check the documentation provided by program staff to ensure the appropriate transfer has been completed. The agency is also working on a process to automate this transfer within the MMIS system.

  A coding matrix is being developed to allow users to select the correct coding for the allowable expenditures.

  For noted transaction errors corrective action was developed and is in operation at this time. A new agreement is being negotiated. The payments are in the process of being recovered and the federal share associated with the payment being returned to the federal government..

- We recommend management ensure staff are documenting that all databases were verified for new and revalidated providers.

The authority agrees it is important to properly document verification checks. Upon further review, the provider identified in the finding was in the process of being renewed. While revalidations and reactivations of providers require the four database checks, renewed providers only require the completion of the two database checks noted. Currently our system does not display the renewal or reactivation designation in the panel. We regret we did not adequately communicate this differentiation in requirements.

To address future documentation requirements, a change request has been submitted to create two additional labels for the Provider Validation panel. The result of this change will be better documentation for which databases where checked and why, based on whether the provider was revalidated, reactivated or renewed..

- Organization management should ensure compliance site visits are performed timely for all enrolled and active providers.

  The Centers for Disease Control and Prevention (CDC) has added new requirements to the Vaccines for Children (VFC) program over the past three years that create additional work related to provider site visits. These additional requirements, in addition to Oregon vaccine stewardship laws, have increased the length of time spent preparing for, completing, and following up on VFC site visits. Health Educators are now spending approximately 2.5 hours on site per visit, per clinic site, rather than 1.5 hours seen previously, and follow-up time has increased proportionately. At times, the new follow-up requirements require staff to complete additional overnight trips to ensure that clinics retain appropriate eligibility screening documentation. In addition, significant resources dedicated to completing site visits in the audit time period were unavailable due to vacancies in key positions and a hiring freeze which limited the program's ability to fill these vacancies.

  To address this audit finding in 2015, the Oregon Immunization Program took a variety of steps aimed at impacting the program's ability to meet their federally determined site visit goal. These actions included:

  - *Reviewing, and when needed, reprioritizing work in order to allow for timely site visits, while still complying with other grant-required activities.*

- *The use of technology to make the site visits more efficient for staff, namely tablets have been implemented to streamline site visits and cut down on double data entry.*

- *Removal of appropriate tasks from staff who complete site visits and assignment of these tasks to lower level staff.*

- *Development and use of new templates to increase the efficiency of provider follow-up.*

- *The use of process improvement activities to create additional efficiencies.*

In addition to continuing the steps described above, the Oregon Immunization Program has set in motion the following steps in order to impact the program's ability to meet their federally determined site visit goal in 2016.

- *Two positions on the Provider Services Team (which conducts the site visits) have been re-classified from a Health Educator 2 to a Compliance Specialist 2. This change in position classification will have significant impact on our program's ability to complete our site visit requirements, by creating two positions whose sole purpose is to complete site visits and site visit follow-up, will complete the bulk of our required site visits, and will be freed from the other duties previously assigned to Health Educators thus allowing more focused attention on meeting this audit requirement.*

- *We have developed a VFC provider waitlist which will provide additional control over the number of providers requiring site visits. This will help slow the continued growth in the program, especially considering our staffing and resource limitations which have not kept pace with our addition of provider sites.*

Continued data analysis is planned to evaluate the number of staff needed to complete the new and upcoming CDC requirements for site visits. This will help us plan for the number of sites we are able to maintain in the program, develop justification for potential addition of resources, and support planful growth targeting areas where access to vaccination is of concern, such as rural or frontier areas of our state.

- Recommend management ensure staff receive training regarding the proper coding for expenditures and allowability of expenditures. Additionally, management should ensure documentation is maintained to support expenditures paid. Further, for the specific items identified, management should correct the coding errors and ensure the expenditures are billed to the appropriate program and/or source of funds.

  Agency management understands the importance of ensuring staff are trained on proper account coding, documentation, and allowable cost principles. Management will work with the Office of Financial Services to develop tools to assist staff in choosing the proper codes and develop additional quality assurance processes to review for unallowable costs. The identified transactions have been corrected.

- Recommend management update the cost allocation plans for the department and authority to reflect current practices and ensure future changes are communicated timely.

  The agency will continue to submit annual cost allocation plan updates and interim updates when there are major changes to allocation methodologies. The agency will continue to work with the federal Division of Cost Allocation on the Oregon Health Authority major plan updates.

7. OHA: Safe Drinking Water Revolving Loan Fund –Applying Agreed-Upon Procedures for Fiscal Year Ended June 30, 2015, audit #2016-13 (dated June 2016)

- We recommend the agency continue to refine their financial reporting process by having a person with experience and knowledge of financial reporting conduct a review of the adjustments prepared for financial reporting purposes.

  The Oregon Health Authority agrees with the recommendation. Our review process includes having a person with experience and knowledge of financial reporting review adjustments. We will continue refining our process to ensure that these adjustments are not overlooked in the future.

2015-2017 MANDATORY SPECIAL REPORT ON COMMUNITY MENTAL HEALTH

Treasury Account Report

July 2015 to June 2017

Per ORS 426.506 Community Mental Housing Fund; Community Housing Trust Account

Restricted Funds- Permanent Fund Principle	$5,726,586
Unrestricted 13-15 Balance Forward	500,066
Sale of Wilsonville Property	611,175
Interest: Actual June 2016	44,304
Projected July 2016 through June 2017 (11 months @ $4,500)	49,500
Total Revenue	**$6,931,631**

Restricted Funds - Permanent Fund Principle	$5,726,586
Awarded Amounts Funded July 2015 to June 2017	14,384
Amount Reserved for Awarded Housing Development	445,325
Amount Reserved for Awarded Institutional Housing	7,487
Available to be Awarded	688,349
Projected Interest July 2016 through June 2017	49,500
Total Expenditures	**$6,931,631**

As of the printing of the Oregon Health Authority Agency Request Budget document, there are no major Facilities Projects planned. However as the agency moves through the budget and legislative process, projects may arise within this area. At that time a project report will be filed.

Oregon Health Authority
Gender Equity Report

The Oregon Health Authority (OHA) Gender Equity Report provides progress and plans in achieving equal access to appropriate services for males and females under the age of 18.

OHA's efforts are more program specific than agency wide, due to the nature of our work as it relates to the requirements of the statute. This report focuses predominantly on the OHA Health Systems Division (HSD) (includes former Addictions and Mental Health), the Public Health Division (PHD) and the Office of Contracts and Procurement (OC&P). This report covers July 1, 2014 through June 30, 2015 (FY 2015).

This report is required by ORS 417.270 (HB 3576 Equal Access to Appropriate Services for Girls and Boys).

OHA Health Systems Division (includes former Addictions and Mental Health)

In 2015 OHA's Addictions and Mental Health merged with Medical Assistance Programs and additional smaller programs to form the OHA Health Systems Division (HSD). The Health Systems Division supports equal access to appropriate services and treatment for females and males under 18 years of age. HSD developed updated administrative rules which describe and require minimum standards for the services and support provided by addictions and mental health providers. These rules promote recovery, resiliency, wellness, independence and safety for individuals receiving services and support. They specify standards for the services and supports that are person-directed, youth-guided, family-driven, culturally competent, trauma-informed and wellness-informed. They also promote developmentally appropriate functional and rehabilitative outcomes for individuals. Contracts with Mental Health Organizations, Fully Capitated Health Plans and Coordinated Care Organizations require the provision of these services.

The modified outpatient services rules which were developed in FY 2015 (effective July 1, 2016) include definitions important to the development of the individualized plan for each person. Child and family engagement in the development of services allows individual choice in developing the most appropriate array of services and tailoring of those services to effectively address the child's specific clinical issues. The Individual Service and Support Plan (ISSP) describes specific services and supports to be provided, arranged, or coordinated that will assist the individual and associated family members, if applicable, to achieve intended outcomes. This includes services specific to gender, culture, literacy, disability or language and steps necessary to overcome existing barriers.

Women's Treatment Services are programs approved and designated to provide alcohol and other drug treatment services primarily for women, which meet specific standards. These standards address assessment, provision or coordination of services specific to women, and referral to other services. Entry of individuals whose services are funded by the Substance Abuse Prevention and Treatment (SAPT) Block Grant are prioritized in the following order:

(A) Women who are pregnant and using substances intravenously;
(B) Women who are pregnant;
(C) Individuals who are using substances intravenously; and
(D) Women with dependent children.

In addition, adolescent providers deliver services that support gender-related developmental issues such as Boys' and Girls' Empowerment and Girls Empowerment and Diversity groups. These adolescent providers maintain relationships and work with agencies that provide culturally specific services in order to ensure diversity awareness within the organization, as well as provide clients with a range of culturally specific options for pre-social support. Many programs implement "Seeking Safety" as a gender-specific program for individuals with trauma and substance use disorders.

The following definitions are included in the Outpatient Services Rule:

- "Child and Family Team" includes people responsible for creating, implementing, reviewing and revising the service coordination section of the Individual Service and Support Plan in Intensive Community-based Treatment Supports and Services of the family, care coordinator, and child. The team also includes any involved child-serving providers and agencies and any other natural, formal, and informal supports as identified by the family.
- "Cultural Competence" means the process by which people and systems respond respectfully and effectively to people of all cultures, languages, classes, races, ethnic backgrounds, disabilities, religions, genders, sexual orientations and other diversity factors in a manner that recognizes, affirms, and values the worth of individuals, families and communities and protects and preserves the dignity of each.
- “Gender Identity” means a person’s self-identification of gender, without regard to legal or biological identification, including, but not limited to persons identifying themselves as male, female, transgender and transsexual.
- “Gender Presentation” means the external characteristics and behaviors that are socially defined as either masculine or feminine, such as dress, mannerisms, speech patterns and social interactions.
- “Peer” means any person supporting an individual, or a family member of an individual, who has similar life experience, either as a current or former recipient of addictions or mental health services, or as a family member of an individual who is a current or former recipient of addictions or mental health services.
- “Peer Delivered Services” means an array of agency or community-based services and supports provided by peers, and peer support specialists, to individuals or family members with similar lived experience, that are designed to support the needs of individuals and families as applicable.
- "Peer Support Specialist" means a person providing peer delivered services to an individual or family member with similar life experience, under the supervision of a qualified Clinical Supervisor. A Peer Support Specialist must complete an OHA approved training program and be:
    - A self-identified person currently or formerly receiving mental health services; or “person-directed” means the individual, and others involved in supporting the treatment and recovery of the individual,

are actively involved in assessment, planning and revising services and supports and intended outcomes. Individuals are empowered through this process to regain their health, safety and independence to the greatest extent possible and in a manner that is holistic and specific to the individual, including culturally, developmentally, age and gender appropriate.

- A self-identified person in recovery from a substance use disorder, who meets the abstinence requirements for recovering staff in alcohol and other drug treatment programs; or
- A family member of an individual who is a current or former recipient of addictions or mental health services.
-

OHA Public Health Division

The OHA Public Health Division (PHD) has several initiatives addressing youth services.

PHD - Center for Prevention and Health Promotion

Adolescent Genetics and Reproductive Health Section (AGRH). In FY 2015, AGRH expended an estimated than $7.6 million providing services to males and females under the age of 18.

- The Reproductive Health Program works with 150 clinics throughout the state to offer free or low-cost reproductive health services and birth control for women, men and teens that need them. The program seeks to reduce unintended pregnancy by providing access to the information, services and resources necessary to ensure that all pregnancies are healthy, well-timed and intended. Limited contraceptive methods for males mean that fewer services are available for male clients. During FY 2015, the Reproductive Health Program's total clients who were male and under the age of 18 was less than 1%, while the proportion of females under the age of 18 was approximately 9.3%. National standards for preventive services include more reproductive health screenings for females than for males.

- The School-Based Health Center (SBHC) Program certifies and supports SBHCs throughout Oregon. SBHCs are a unique health care model for comprehensive physical, mental and preventive health services provided to youth and adolescents either within a school or on school property. With easy access to health care in a school setting, SBHCs reduce barriers such as cost, transportation, and concerns surrounding confidentiality that often keep children and youth from seeking the health services they need. SBHCs provide a full range of physical, mental and preventative health services to all students, regardless of their ability to pay. Each SBHC is staffed by a primary care professional who may be a doctor, nurse practitioner or physician's assistant, other medical or mental health professionals and support staff, such as a receptionist. During FY 2015, School Based Health Centers in 24 counties served 23,342 youth ages 0 - 18 representing 80% of all SBHC clients. Of those clients through age 18, 54% were female, 46% were male and less than 1% were transgender.
- The Youth Sexual Health Program supports ¡Cuídate!, a culturally specific HIV and pregnancy prevention program for Latino youth, serves both female and male youth ages 13 - 18 in six counties (Crook, Deschutes, Jackson, Jefferson, Marion, Multnomah). Participants included approximately 53% female, 45% male and less than 1% transgender.
- The Adolescent and School Health Program analyses Oregon Healthy Teens (OHT) report data on positive youth development by gender. This analysis looks at OHT data to identify trends and disparities in positive youth development (PYD) by gender, race/ethnicity, and sexual orientation. The PYD benchmark is comprised of six questions that address components of PYD theory. To meet the PYD benchmark, youth must answer five out of the six items positively (excellent, very good or good, or very much true, pretty much true). Based on 2015 OHT, among 11th graders:
    - Significantly more males met the PYD Benchmark compared to females (65% vs. 59%).
    - There are significant differences on achieving the PYD Benchmark by sexual orientation. 65% of 11th graders who identify as straight achieved the benchmark, compared to 44% of youth who identify as gay or lesbian and 32% of youth who identify as bisexual.
    - By race/ethnicity:

Race	% who met PYD Benchmark
White-non Hispanic	65%
Native American-non Hispanic	55%*
Asian- non Hispanic	66%
Black- non Hispanic	65%
Native Hawaiian/Pacific Islander-non Hispanic	68%
Multiple Races-non-Hispanic	61%
Hispanic	53%*

*statistically significant difference (p<.05)

Modifications to the 2017 Oregon Healthy Teens Survey will greatly enhance our ability to illuminate issues facing young people in our state. Race questions now align with REAL-D (race, ethnicity, language, disability demographic data) standards and there will be questions regarding gender identity and expression.

Maternal and Child Health (MCH). A variety of functions exist within this section. The section:

- Implements promising practices to promote healthy relationships receiving on-going funds from the Centers for Disease Control and Prevention (CDC) for Rape Prevention and Education (RPE). Funds support the work of the Sexual Assault Task Force and six local sites to change social norms among youth and support healthy relationships using proven prevention strategies.
- Collects data on Intimate Partner Violence (IPV), harassment, and rape using the Behavioral Risk Factor Surveillance System (BRFSS), Oregon Healthy Teens (OHT), and Pregnancy Risk Assessment Monitoring System (PRAMS) surveys to track prevalence and identify risk and factors. Public Health also maintains the violent death reporting system.
- Provides training and technical assistance through an interagency agreement with the Oregon Department of Justice to their local Safer Futures Funding sites on how to work with and integrate relationship violence

screening and referral services into their work with local public health. The grant places Domestic Violence (DV) advocates in DHS and local public health offices to assist with screening, referrals, and case coordination for pregnant and parenting teens who have been victims of DV including sexual violence.

- Implements the Futures without Violence Project Connect model in four sites. This model provides intensive screening for Intimate Partner Violence and sexual coercion, referral and follow-up in public health family planning clinics. While the intervention is for all female clients of reproductive age, there is an intentional focus on reaching out to adolescents because they are at higher risk for IPV and sexual coercion and are less likely to access services. Oregon Project Connect has been using the Futures without Violence "Hanging Out or Hooking Up" curriculum which is designed for health care providers who what to better serve female adolescents who are sexually active.

PHD – Center for Public Health Practice

HIV/STD and TB Section. The Oregon Infertility Protection Project provides chlamydia testing services.

Immunization. The Oregon Immunization Program strives to reach and maintain high immunization rates through many partnerships and programs including Vaccines for Children, the Oregon Adult Immunization Coalition and the Oregon Partnership to Immunize Children. The program also administers school immunization requirements and keeps track of rates through a lifespan registry, the ALERT Immunization Information System (IIS).

Immunization is the safest and most effective public health tool available for preventing disease and death. Vaccinating according to the Centers for Disease Control and Prevention (CDC) recommended immunization schedules, not only protects children and families, but our entire community.

Office of Contracts and Procurement (OC&P)

The Office of Contracts and Procurement is a shared service between OHA and the Department of Human Services (DHS). The office addresses gender equity within OHA Contracts, including OHA requests for proposals (RFPs) through the following processes and mechanisms:

- Program staff can request contracts or RFPs to include services to clients, with specific guidance surrounding gender specific expectations.

RFP template language includes:

- "Contractor shall provide equal access to covered services for both males and females under 18 years of age, including access to appropriate facilities, services and treatment, to achieve the policy in ORS 417.270."
- In the special conditions paragraph: Contractors must provide services to DHS and OHA clients without regard to race, religion, national origin, sex, age, marital status, sexual orientation or disability (as defined under the Americans with Disabilities Act). Contracted services must reasonably accommodate the cultural, language and other special needs of clients.
- The directions for the 118-Series Contracting Forms, includes a check box for gender specific services under Other Considerations. This provides program staff the reminder that this is an issue that should be considered when requesting contract documents.
- Training to new and existing OC&P staff is provided regarding contracts and solicitations. Information regarding Gender Specific Services provisions has been incorporated. Gender-Specific Services policy is also discussed at staff meetings.

Limitations Regarding Data

Current mechanisms used do not always track data to capture specific percentages of funds allocated to, and expended for the two separate groups, males under 18 and females under 18. Additionally a transformative restructuring of the Oregon Health Authority in 2015 has shifted some divisional staffing. The Office of Equity and Inclusion will continue to work with OHA programs serving said populations in an effort to refine data collection and tracking to identify and report potential disparities in the allocation of services and funds.

IT Related Projects/Initiatives

Program Area	Agency	Project Name	Project Description	Estimated Start Date	Estimated End Date	Project cost to date	Estimated 17-19 Costs	All biennia total project cost	Base or POP	Project Phase: I=Initiation P=Planning E=Execution C=Close-out	If Continuing project - has it been rebaselined for either cost, scope or schedule? Y/N - If Y, how many times	Purpose L=Lifecycle Replacement; U=Upgrade existing system; N=New System	What Program or line of business does the project support	Comments
Health Systems Division	OHA	MMIS Modularization	This POP requests state funds to secure 90% federal financial participation funds to: align to CMS mandates for states to modularize their medicaid portfolio. These funds will be used to define Oregon's Medicaid Service Delivery strategic plan, assess other states modularization approaches, identify options for modular solutions, define certification requirements as required by CMS, and begin procurement activities to secure modular solution components.	Jul-17	Jun-19	$ -	$ 3,854,917	TBD	POP	P	N	L	HSD	this is a planning POP with an expectation of a follow up for additional funding that will come forward for implementation in AY19-21 or AY21-23
Health Systems Division	OHA	ONE Enhancement and Support Services (ESS)	The Centers for Medicare and Medicaid Services (CMS) offers additional enhanced funding for system work for eligibility systems. This policy option package is to request the authority for to fund enhancements to the Modified Adjusted Gross Income (MAGI) Medicaid eligibility determination system (called ONE) that have been identified as necessary to better serve Oregonians. Currently, OHA has a contract with the Systems Integrator that built the ONE system, Deloitte Consulting, to continue to enhance it while maintaining & operating it. The plan is for several builds a year of new functionality, prioritized by Member Services Staff as well as Medicaid policy staff, to be made available inside of ONE. Additionally, this POP will support necessary changes when CMS issues new requirements for MAGI Medicaid eligibility systems such as MARS-E 2.0 Security Compliance.	Apr-16	Dec-18	$ 343,308	$ 12,800,000	$ 18,345,775	POP	E	Y,1	U	HSD	IRR

IT Related Projects/Initiatives

Program Area	Agency	Project Name	Project Description	Estimated Start Date	Estimated End Date	Project cost to date	Estimated 17-19 Costs	All biennia total project cost	Base or POP	Project Phase: I=Initiation P=Planning E=Execution C=Close-out	If Continuing project - has it been rebaselined for either cost, scope or schedule? Y/N - If Y, how many times	Purpose L=Lifecycle Replacement; U=Upgrade existing system; N=New System	What Program or line of business does the project support	Comments
Public Health	OHA	Public Health Modernization	The goal is to ensure basic public health protections for everyone in Oregon. This POP will: • Equip the workforce to respond to emerging health needs: develop an effective and efficient state and local public health workforce; • Fill the 55% health equity service gap: improve health equity by engaging with communities in public health planning; • Provide data needed to monitor public health problems: upgrade outdated information systems needed to collect data on population health and inform decision-making; • Fill the 55% service gap in preventing environmental health hazards, the 37% service gap in communicable disease investigation and the 38% service gap in responding to emergencies: mount timely responses to emerging public health issues.	TBD	TBD	$ -	$ 3,000,000	TBD	POP	I	N	U	Public Health	The project has an IT component, the POP is for the overall project including the IT component.
Aging and People with Disabilities - Oregon Adult Abuse Prevention and Investigations	DHS	Implementing Centralized Abuse Management (CAM) System	The purpose of this project is to develop and implement a comprehensive multi-program centralized abuse management system to capture abuse allegations and investigations from intake and screening through investigation, case closure and referrals, documentation, and to support abuse management oversight and inquiries. House Bill 4151 requires the state of Oregon and DHS as its agent, to standardize its processes and technology related to abuse of vulnerable adults. Oregon's current environment for tracking, reporting, analyzing and investigating incidents of adult abuse relies on accessing information from nine (9) distinct systems or data sources. Additionally, local offices have created their own one-off mechanisms for supporting the abuse investigation processes, further complicating and decentralizing information. Existing systems limitations include the inability to search across program populations, inhibiting the ability to track perpetrators and/or victims over time and between populations. This heightens the risk of not capturing all abuse allegations.	Jul-15	Dec-17	$ 377,189	$ 4,010,290	$ 4,633,037	POP	P	Y, 2	U	APD/OAAPI	

IT Related Projects/Initiatives

Program Area	Agency	Project Name	Project Description	Estimated Start Date	Estimated End Date	Project cost to date	Estimated 17-19 Costs	All biennia total project cost	Base or POP	Project Phase: I=Initiation P=Planning E=Execution C=Close-out	If Continuing project - has it been rebaselined for either cost, scope or schedule? Y/N - If Y, how many times	Purpose L=Lifecycle Replacement; U=Upgrade existing system; N=New System	What Program or line of business does the project support	Comments
Aging and People with Disabilities/ Self Sufficiency	DHS	Integrated Eligibility	The purpose of this project is to extend OregONEligibility (ONE) to include eligibility determations for the Non-Modified Adjusted Gross Income (Non-MAGI) Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Employment Related Day Care (ERDC) programs. OHA will use the Integrated ONE system to also process MAGI Medicaid eligibility determinations. The Integrated ONE System will provide a web-based, self-service, applicant portal, a web-based worker portal with automated workflows, automated eligibility processing, and interfaces with OHA and DHS's benefits administration and case management systems.	1-Apr-16	30-Jun-19	$ 1,444,670	$ 113,630,759	$ 163,704,603	POP	E	N	N	APD	
Aging and People with Disabilities/ Developmental Disabilities	DHS	Provider Time Capture (PTC)	The purpose of the project is to enable DHS and OHA to capture accurate time, attendance, and travel time for HCW/PSWs across programs. The business has identified a need to implement a shared time capture solution for the Department of Human Services (DHS) Aging & People with Disabilities (APD), DHS Office of Developmental Disabilities Services (ODDS), and the Oregon Health Authority (OHA) Addictions and Mental Health (AMH) programs for their Home Care Workers (HCW) and Personal Support Workers (PSW). DHS and OHA are considered joint employers and their HCW/PSW programs must be modified to comply with the U.S. Department of Labor's (USDOL) Fair Labor Standards Act (FLSA). DHS and OHA must keep certain records for each HCW/PSW. The requirements apply to HCW/PSWs who provide personal and home care assistance to older adults, people with disabilities and addictions, and mental health clients. The FLSA requires that the records include certain identifying information about the HCW/PSW and data about the hours worked. The law requires this information to be accurate and attested to by both service recipients and providers. DHS and OHA do not have shared technology in place necessary to meet the regulations.	1-Sep-14	30-Sep-17	$ 1,403,823	$ 1,431,148	$ 8,193,068	Base	E	Y, 1	N	APD/DD	

IT Related Projects/Initiatives

Program Area	Agency	Project Name	Project Description	Estimated Start Date	Estimated End Date	Project cost to date	Estimated 17-19 Costs	All biennia total project cost	Base or POP	Project Phase: I=Initiation P=Planning E=Execution C=Close-out	If Continuing project - has it been rebaselined for either cost, scope or schedule? Y/N - If Y, how many times	Purpose L=Lifecycle Replacement; U=Upgrade existing system; N=New System	What Program or line of business does the project support	Comments
PHD	OHA	HIVCAT-CAREAssist (CAREAssist 2.0) Project	The objective of this project is to develop a solution that will replace the existing CAREAssist 1.0 application with a new custom developed CAREAssist 2.0 application that addresses current system issues such as: unreliable system, missing critical functionalities such as: “Prescription drug wholesale model”, “Reporting”, antiquated technology, HIPAA and ISOP non-compliant, poor usability, inadequate system audit functions etc. The new CAREAssist 2.0 application will be improving the shortcomings of existing application and improving the experience of HIV/AIDS clients as well as improve the productivity and efficiency of OHA staff assisting existing and new clients. This project will use a staged implementation to bring the State into compliance and develop a long term solution. • Phase 1 (Initiation Phase) Objective (current phase): - Gather project requirements. - Determine what is the best solution. - Prepare RFP to hire contractor to either implement COTS solution or custom build. - Prepare comprehensive Business Case and other documents for Stage Gate 2 submission. • Phase 2 Objective (Future Phase): Development and implementation of selected solution.	4-Feb-16	30-Jun-18	$ 27,351	TBD	TBD	Base	I	N	L	PHD - HIV	
WIC	OHA	WIC TWIST Upgrade	The purpose of this project is to upgrade from a client server based system to a FNS web based WIC management information system.	1-Jul-17	1-Jun-19	TBD	3-6 million	4-6 million	Base	I	N	L	WIC	Prioritized by PH ISMC
Immunization	OHA	SMILER (School Module Integrating Law and Electronic Reporting)	Oregon Immunization Program (OIP) seeks a technology that will standardize collection and assessment of student immunization records, produce appropriate exclusion orders, and generate timely reports. The solution will also interface with internal and external stakeholder systems, eliminating the need for repeated, manual data entry across the various systems.	1-Jul-17	1-Jun-19	TBD	$ 500,000	$ 950,000	Base	I	N	N	Immunization	Prioritized by PH ISMC
Maternal and Child Health	OHA	Tracking Home visiting Effectiveness in Oregon (THEO)	The objective for the Tracking Home visiting Effectiveness in Oregon (THEO) project is to deliver an interoperable and scalable home visiting data collection, case management and reporting system.	1-Jan-16	1-Dec-17	$ 125,000	$ 500,000	$ 1,400,000	Base	E	N	N	MCH	Estimates are high level at this point until solution vendor contract finalized.

IT Related Projects/Initiatives

Program Area	Agency	Project Name	Project Description	Estimated Start Date	Estimated End Date	Project cost to date	Estimated 17-19 Costs	All biennia total project cost	Base or POP	Project Phase: I=Initiation P=Planning E=Execution C=Close-out	If Continuing project - has it been rebaselined for either cost, scope or schedule? Y/N - If Y, how many times	Purpose L=Lifecycle Replacement; U=Upgrade existing system; N=New System	What Program or line of business does the project support	Comments
Health Systems Division	OHA	MMIS - Social Security Number Removal Initiative	The Medicare Access and CHIP Reauthorization Act (MACRA) went into law April 16, 2015. This legislation requires CMS to remove Social Security Numbers (SSNs) from Medicare cards and replace with a Medicare Beneficiary Identifier (MBI). MACRA's primary goal is to decrease Medicare beneficiaries' identity theft vulnerability by removing SSNs from Medicare cards. Compliance must occur by April 16, 2019 - within four years from enactment of the MACRA legislation.	1-Jul-17	30-Jun-19	TBD	TBD	TBD	Base	E	N	N	HSD	This effort is eligible for 90% CMS enhanced funds upon approval of an Advanced Planning Document (APD). The level of effort for this initiative is estimated to be significant as impacted systems require remediation to accept and use the MIB number to support business operations. Comparable recent projects include MMIS ICD-10 and Real+D. Business processes will require modifications to support use of the MIB. Business functional changes include those associated with Medicare Buy-in and Medicaid and Medicare Dual Eligible's.
The Office of Heatlh Information Technology	OHA	OHIT 2.0	The Office of Health Information Technology (OHIT) Phase 2.0 includes 3 projects with technology components. The name and description of each are: Oregon Common Credentialing Program (OCCP): SB604 requires OHA to implement a credentialing solution mandated for use by practitioners and credentialing organizations. Credentialing organizations currently credential health care practitioners independently, resulting in a duplication of efforts. This comprehensive solution will significatly reduce redundancy, supporting OHA's goal to reduce waste in our health care system. Provider Directory (PD): This will allow healthcare entities access to a state-level directory of healthcare practitioner and practice setting information. It will leverage authoritative data existing in current provider databases and add critical new information and functions. The provider directory can be used across the healthcare continuum to support operations, analytics, and the exchange of health information to deliver key benefits. Clinical Quality Metrics Registry (CQMR): this will enable Coordinated Care Organization (CCO) and Meaningful Use clinical quality metrics to be gathered for quality measurement and incentive payment. It will support the Medicaid Electronic Health Record (EHR) incentive program, which provides federal dollars to Oregon Medicaid providers who achieve meaningful use of EHRs. The CQMR assists OHA meeting its obligations under the Medicaid waiver to lower growth in cost.	TBD	TBD	TBD	TBD	TBD	Base	P	N	N	OHIT	

Oregon Health Authority

Business Case

Planning for the Modularization of Oregon's Medicaid Management Information System

VERSION LOG

Version	Description	Author	Date
0.1	Initial Draft	C. Kuhn	7/20/16
0.1	Review and Comment	J. Wright	7/22/16
0.2	Updated Draft	C. Kuhn	7/22/16
0.3	Review and Comment	J. Seed	7/26/16
0.4	Updated Draft	C. Kuhn	7/26/16
1.0	Final Review & Submission to OIS Business Operations	K. N Wilk	8/01/16

SIGN-OFF

Version	Role	Name	Comments	Date

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1 Business Case Summary

1.1 Executive Summary

Effective January 1, 2016, the Centers for Medicare and Medicaid Services (CMS) requires all states to plan for and implement modular technology solutions supporting Medicaid programs using a competitive process. This shifts states away from reliance on a single solution provider and supplants big bang system replacement with incremental solution delivery.

Oregon's current Medicaid Management Information System (MMIS) is a monolithic system implemented in 2008. MMIS was designed to support a fee for service-based model. Extensive modifications were implemented in 2011 as Oregon shifted away from the fee for service model to support Oregon's Coordinated Care Organization capitation-based model.

This business case purpose is to outline the essential planning activities necessary to achieve compliance with CMS requirements and improve interoperability and sustainability of the solution set supporting Oregon Medicaid service delivery. CMS expects states to use modules or components connected through interoperable interfaces to create a system of services, software, data and interfaces. These modules will be interoperable, scalable, reusable and relatively independent of other application modules, allowing them to be discretely enhanced or even replaced without affecting the whole.

CMS is supporting state's planning and subsequent implementation efforts by providing 90% federal financial participation funds. Based on recommendations and guidance from CMS, Oregon is centering its planning efforts on the following:

- Define Oregon's Medicaid Service Delivery modularization strategy
- Assess other states' modularization strategies
- Identify options for modular solutions
- Define certification requirements as required by CMS
- Draft functional design listing modules, basic functionality and module procurement sequencing
- Begin procurement activities to secure modular solution components

Planning efforts will begin prior to the start of the 2017-19 biennium and continue through the full biennium. The Policy Option Package associated with this body of work requests under $400,000 in General Fund dollars with the anticipation of leveraging approximately $3.5 million in federal funds for a total 2017-19 investment of $3.85 million.

Oregon's contract with the current MMIS vendor ends February 2017. An extension of the end date to 2022 is underway and supported by CMS, contingent on Oregon demonstrating forward progress towards modularization. Not embarking on this planning effort will risk Oregon's ability to timely plan for procurement of a CMS compliant system supporting Medicaid and will put enhanced funding of up to 90% for planning and implementation at risk. Current 75% funding support Oregon receives from CMS for maintenance and operations will be at risk if Oregon does not demonstrate due diligence in modularization planning efforts.

2 Background

This request supports OHA and DHS initiation of essential planning activities for achieving compliance with the Center for Medicaid and Medicare (CMS) modularization requirements. These new requirements are expected to improve interoperability and sustainability of the technology solution supporting Oregon's Medicaid program. It is also expected to improve data integrity, efficiency with electronic communications and interactions with the provider communities.

Further, CMS is requiring all states move to modularization of their Medicaid technologies. The expectation is for states to use modules or components connected through interoperable interfaces to create a system of services, software, data and interfaces.

These modules will be scalable, reusable and relatively independent of other application modules, allowing them to be discretely enhanced or even replaced without impacting the entirety of the Medicaid system technologies.

The MMIS application and infrastructure implemented in December 2008 using the services of Hewlett Packard Enterprises (HPE) were specifically designed and developed to meet CMS requirements at the time. The system reflects Oregon's unique position as the only state to employ a Prioritized list of healthcare services and one of the few states supported by HPE to function as its own Fiscal Agent. Significant customization of the system was made in 2011 to support Oregon's shift from a fee-for-service model to the current Coordinated Care Organization (CCO) model. This level of customization created a complex environment, requiring expertise and extensive experience with the system to effectively support it. HPE has supported the MMIS system in maintenance and operations since implementation.

OHA is Oregon's single state Medicaid agency, responsible for the delivery of healthcare services for Oregonians. OHA is responsible for implementing the federal government's methodology of Modified Adjusted Gross Income (MAGI) for Medicaid eligibility and enrollment and business rules and operations for the Medicaid program supported through the MMIS. DHS is the agency responsible for human services for Oregonians, including Non-MAGI Medicaid services, which have interactions with the MMIS. The partnership between OHA and DHS and their alignment with business operations and technology services unites these two agencies in their common goals of establishing streamlined Medicaid eligibility, improving access to care and service delivery, and expanding coverage to more Oregonians.

Oregon's MMIS supports:

- Over 1.1 million recipients
- Over 20, 000 providers
- 16 CCOs
- Issuance of over $5 billion in capitation payments
- Issuance of over $17 million Electronic Health Record (EHR) incentive payments

CMS is a significant partner in Oregon's MMIS services. Current maintenance and operations costs are funded by CMS at 75%. CMS also provides 90% funding for new MMIS-related efforts, including major enhancements or changes required by CMS. Effective January 1, 2016, CMS is requiring states to plan for acquisition and implementation of modular solutions supporting their Medicaid programs (see 42 CFR Part 433). This represents a significant shift

from reliance on a single solution provider and current monolithic technology used in Oregon and the majority of other states. CMS is making available 90% funding for states embarking on planning and implementation efforts to accommodate this new requirement.

CMS funds 75% of maintenance and operations costs for supporting the MMIS. System maintenance and operational support are provided by HPE. The current contract with HPE ends February 28, 2017, but CMS has approved OHA moving forward with a special procurement to extend the contract. The contract extension is being planned for five years (three years with two more option years) with expiration by the year 2022. This provides Oregon adequate time to plan for and implement CMS-required modular technology solutions.

3 Problem or Opportunity Definition

MMIS is the largest and most complex system supporting Oregon's Medicaid Program. It is a monolithic, single-vendor supported technology system. CMS now requires states to move from such monolithic systems to modular, multiple-vendor supported systems.

CMS currently funds maintenance and operational costs of the MMIS system at a 75% federal fund match rates. Oregon general funds are used for the 25% match. Annually, the contract for supporting the MMIS totals over $20 million with Oregon contributing approximately $5 million.

CMS recently indicated that eligibility for this continued level of federal funding is dependent on compliance with CMS mandates and evidence that states are committed to a thorough planning effort supporting a modular future state. If Oregon does not demonstrate a commitment to modularity planning, leading to future modular solution implementations, Oregon risks loss of CMS enhanced funding for maintenance and operations. This would result in Oregon's responsibility to fund operations and maintenance of the MMIS completely using general funds.

CMS recognizes that shifting from the current monolithic solution environment used by Oregon, and most other states, to a modular environment will require careful planning and incremental implementation over several biennia.

CMS is supportive of Oregon's intent to leverage a strategic technology advisory consulting entity to aid the planning efforts and has signaled that they would make available 90% enhanced federal funding to support these efforts.

From a financial standpoint, this level of federal support translates into substantially lower investment costs for Oregon to transform its existing Medicaid systems to meet current needs more effectively and provide a sustainable foundation well into the future. Access to enhanced funding will allow Oregon to incrementally implement modular solutions over the next 5-7 years while shouldering only 10% of the primary costs and 25% of any hardware expenditures. At an anticipated total cost of $150 million, the estimated cost for Oregon will be under $20 million.

Modularization will also support one of OHA's 2016-2017 top ten priorities of making the "Oregon Health Plan member experience with Oregon's Medicaid program simpler, easier, more timely and reliable;" with particular support of the sub-priority of implementing "highly functioning technology systems to support eligibility, enrollment and closures"

4 Alternatives Analysis

Oregon has three alternatives to consider for the approach to planning for modularization:

1. Leverage the services of a 3rd party Strategic Technology Advisor to work with an internal dedicated team to develop a plan, detailed approach, roadmap, functional and technical requirements leading to issuance of Request for Proposal(s) to secure modular solutions and the services of System Integration to support implementation. The planning effort is anticipated to require over two years to complete with the assumption that work will commence during the 2015-17 biennium and continue throughout the 2017-19 biennium

2. Develop and issue a procurement RFP without the support and planning efforts outlined above
   - Oregon could choose to skip doing its own planning efforts and adopt the planning approach of another state, leveraging their planning outcomes and RFP to procure new solutions. While this approach would save less than $100,000 in general funds for the cost of a consultant strategic technology advisor, choosing to circumvent an Oregon-specific planning effort will likely result in the lack of a cohesive roadmap and executable plan to meet Oregon's needs and increase project risk. It is also likely the solutions used by another state either would require substantial modifications to address Oregon requirements or would significant business process and operational workflow reengineering.

3. Maintain the Status Quo – continue to extend the existing support contract with HPE.
   - The current MMIS was implemented almost 8 years ago with a five (5) year + three (3) option years maintenance and operations contract. February 27, 2017 represents the end date of the original 8 years of the contract. And three (3) year + two (2) option years extension to the existing contract is underway to enable Oregon the time to develop and execute a modularization plan.
   - While CMS is supportive of Oregon's need for time and funding to plan, they will not be supportive if Oregon does not demonstrate a commitment to plan and execute a renewed Medicaid solution environment in compliance with CMS mandates. Non-compliance with CMS mandates will lead to significant negative financial ramifications for Oregon – doubling of the general funds needed for existing maintenance and operations costs and loss of enhanced funding for enhancements or renewal of the system.
   - OHA and DHS have several Medicaid sub-systems not currently integrated with the core MMIS[1]. Maintaining the current state leaves Oregon with siloed Medicaid systems and misses the opportunity to update and streamlined Medicaid related functions.

[1] Includes Customer Employed Provider (CEP), Express Payment and Reporting (eXPRS), Relational Statewide Accounting & Reporting System (RStars) and Oregon Automated Computer Capture Storage System (Oregon Access).

4.1 Assumptions

The following assumptions factor into the conclusion and recommendations outlined in section 5:

- Non-compliance with CMS directive will result in loss of CMS enhanced funding – the impact of this loss will significantly increase Oregon's need for General Fund for annual maintenance and operations as well as for future replacement expenses as the current MMIS ages beyond its useful life
- Oregon will successfully extend the current contract with HPE to add three (3) base years and two (2) option years shifting the contracted support end date to the year 2022

4.2 Selection Criteria and Alternatives Ranking

Selection criteria and alternative ranking will be defined as part of the planning efforts, which include development of detailed requirements, a request for proposal and an updated business case.

4.3 Solution Requirements

Solution requirements will be defined as part of the planning effort.

4.4 Alternatives Identification

Alternatives will be identified as part of the planning, market research, RFP development and updated business case.

4.5 Alternatives Analysis

Alternatives will be analyzed as part of the planning activities including updated business case.

4.6 Cost

Costs will be determined based on the outcome of market research and other planning activities.

4.7 Benefit

Benefits will be identified as part of the planning activities.

4.8 Risk

Risks include:

- Non-compliance with CMS regulations and standards if status quo is the decided action
- Losing opportunity for utilizing 90% federal funding for planning, design and implementation and losing 75% federal funding for maintenance and operations if the status quo is the decided action

5 Conclusions and Recommendations

5.1 Conclusions and Recommendations

The Governance entity (MMIS Information Services Management Committee) which oversees MMIS and related strategy has made the decision to pursue Alternative 1 – request state and federal funding to support a robust planning effort for Oregon. This alternative best enables Oregon to align with CMS directive and to ensure the next generation MMIS is a solution set which can support and adapt to Oregon's needs for the predictable future.

OHA recommends that DAS and LFO support this prudent investment in planning efforts to ensure continued compliance with CMS and enable Oregon to continue to support Oregonians.

5.2 Consequences of Failure to Act

Failure to comply with CMS regulations will result in significant negative financial impacts to Oregon both near and long-term including:

- Oregon's Medicaid program being out of compliance with federal regulation
- Loss of access to enhanced funding
    - 90% for modularity planning, design and implementation
    - 75% for existing and future maintenance and operations
    - 90% for enhancements to the existing system
- Federal funding participation reduction to 50% for planning, design, implementation, enhancements and on-going maintenance and operations.

6 Appendixes and References

- CMS Federal Registry regulation 42 CFR Part 433
- OHA's 2016-2017 top ten priorities

DHS

Business Case

Department of Human Services
Integrated Eligibility Determination Project

VERSION LOG

Version	Description	Author	Date
1.0	Initial Draft	Karl Olmstead	11/24/2015
1.1	Revised based on feedback from Ed Arabas	Karl Olmstead	12/15/2015

SIGN-OFF

Version	Role	Name	Comments	Date
	Process Owner			

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1 Business Case Summary

1.1 Overview

Oregon's Department of Human Services is preparing this business case as the foundation for choosing the appropriate implementation strategy to support its eligibility determination systems.

1.2 Background

Oregonians do not currently have the ability to apply for Non-Modified Adjusted Gross Income (Non-MAGI) Medicaid through a self-service portal via an on-line application. Additionally, while individuals currently may utilize an on-line application for Oregon's Supplemental Nutritional Assistance Program (SNAP) or with manual process supplementation for Temporary Assistance to Needy Families (TANF) or Employment Related Day Care (ERDC), the system supporting the application does not link to a benefit authorization system. Department of Human Services (DHS) eligibility workers must engage in manual application processing activities, with little to no automation. Changes to regulations from federal agencies present challenges for eligibility workers when applying those regulations to each applicant's unique situation.

Oregon Department of Human Services seeks to eliminate manual processing and the need to utilize legacy systems in support of Non-MAGI Medicaid, SNAP, TANF and ERDC eligibility determinations. The purpose of this project is to assess possible alternatives for the automation of eligibility processing, determine and develop the legacy system interface requirements to reduce or eliminate manual input, and provide a web-based front-end applicant portal to support customer self-service for at-minimum, Non-MAGI Medicaid, and potentially other human service programs (i.e., SNAP, TANF, Employment Related Day Care).

1.3 Opportunity Definition

The Oregon Health Authority (OHA), the state's designated Medicaid agency, is in the process of implementing a new system for MAGI Medicaid eligibility determinations. That system is called Oregoneligibility, or ONE, and is the result of transferring the State of Kentucky's Affordable Care Act compliant state-based marketplace solution (*kynect*) for use in Oregon.

In late 2015, Kentucky is preparing to roll out an extension to the system that OHA has transferred to Oregon. That extension will support eligibility determinations for the following programs:

- Supplemental Nutrition Assistance Program (SNAP)
- Temporary Assistance to Need Families (TANF)
- Low Income Home energy Assistance Program (LIHEAP)
- Medicaid Waiver Management Applications
- Child Care

Assuming that both Kentucky's integrated eligibility project and Oregon's ONE project are successful, and given CMS direction that it will only provide a 90/10 funding match for extending the ONE system, the time is clearly right to consider extending ONE to support Non-MAGI Medicaid eligibility determinations and eligibility determinations for other DHS Human Service programs too.

The high-level business objectives driving this effort are:

- Allowing applicants to apply for benefits on-line, reducing the need to travel to local offices and reducing the need to provide duplicate information when applying for benefits from more than one program
- Automating manual processes in order to:
    - Reduce the amount of time that elapses between completing an application and making an eligibility determination
    - Reduce the amount of time that staff must spend creating, reviewing, and acting on each application
    - Reduce the rates of errors in making eligibility determinations
- Allowing for seamless sharing of information and transfer of cases among program staff

On August 10, 2011, three federal agencies (Centers for Medicare and Medicaid Services (CMS), Food and Nutrition Services (FNS) and the Administration for Children & Families (ACF)) announced a time-limited, specific exception to the cost allocation requirements set forth in Office of Management and Budget (OMB) Circular A-87. These provisions generally require the costs associated with building shared state-based information technology systems to be allocated across all benefitting programs. The exception reflected a federal focus on streamlining enrollment in health and human services programs while leveraging funding efficiencies at the state-level. On July 20, 2015, the three agencies extended the exception for an additional 3 years, through December 31, 2018, and provided additional guidance on how states may take advantage of it to leverage these investments to better serve consumers' multiple programs and needs.

1.4 Alternatives Analysis

Alternative #1: Implement Non-MAGI Medicaid Eligibility Determination into the ONE System
Under this alternative, the ONE system would be extended to support Non-MAGI Medicaid eligibility determinations and service authorization to community-based care programs only. This approach limits the scope of DHS programs that would be affected. It requires transfer of the Kentucky system, removal or disabling of the functionality in that system supporting programs like SNAP and TANF, and customization for Oregon's Non-MAGI Medicaid program. This approach would use 90/10 federal funding.

Alternative #2: Implement Integrated Eligibility Determination into the ONE System
Under this alternative, the ONE system would be extended to support Non-MAGI Medicaid eligibility determinations and SNAP, TANF, and ERDC determinations, as well as service authorizations for community-based care programs. This approach involves a wider range of DHS programs. It avoids the risk and expense of removing functionality for these programs from the Kentucky system. It requires potential customization for a larger number of Oregon programs. This alternative could be rolled out all at once or it could be phased-in program-by-program. This approach would use Medicaid 90/10 federal funding to the benefit of other programs, which would only have to fund parts of the solution that were benefitting those programs exclusively.

Alternative #3: Acquire External Eligibility Determination Services from another State
Just like Alternative #1, this alternative would extend ONE to support Non-MAGI Medicaid eligibility determinations only. Like Alternative #2, it would support eligibility determinations for

the SNAP, TANF, and ERDC programs. However unlike Alternative #2, that support would be outside of ONE. In this alternative, DHS would contract with another state to support SNAP, TANF, and ERDC eligibility decisions. At a minimum, that would involve modifying the partner state's system for those programs to accept applications from Oregonians and make eligibility determinations based on Oregon's rules. Limiting factors include lack of integration of Non-MAGI Medicaid program eligibility with MAGI program eligibility and recording of Oregon-specific MAGI, CHIP, and CAWEM rules. The project team was unable to identify a state where this approach is being used. Therefore, cost estimates for this alternative were unattainable.

Alternative #4: Do Nothing
Under this alternative, there would be no additional investment in the ONE system and no acquisition of eligibility services from another state. Improvements to current processes would be limited to those that arise naturally through the DHS's continuous improvement program. This alternative means losing the opportunity for enhanced federal funding to improve IT systems and thus results in greater cost in state funding for future enhancements.

1.5 Conclusions and Recommendations

Based on that analysis, DHS intends to pursue Alternative #2, Implement Integrated Eligibility Determination. This means extending the ONE system by transferring, configuring, and customizing Kentucky's Non-MAGI Medicaid, SNAP, TANF, and ERDC eligibility system to Oregon.

Section 5 of the document sets out a tentative schedule that would implement the expanded, integrated eligibility determination system in mid-2018. The total cost of implementing the system and operating it through June 2019 is estimated at $126.1 million. The precise allocation of costs among Medicaid and the other programs has not yet been determined and, thus, the precise share of state funds required is not yet known, but will not exceed 20 percent of the total, or $25.2 million.

2 Background

2.1 Current State of DHS Eligibility Work

Most of the systems supporting DHS eligibility determination processes were designed and built in the 1970s and early 1980s. Many of these systems have been modified repeatedly to address the vast number of eligibility, service authorization, and payment rule and policy changes that have occurred since then.

One of the most common complaints from both clients and workers is the lack of integration between and across DHS systems, resulting in the need for the same information to be provided and entered into multiple DHS systems. Even though DHS offices are committed operationally to the overarching theme of "No Wrong Door," that vision is difficult to realize due to the lack of system interoperability. Clients are frequently frustrated with having to provide the same demographic and financial information over and over when applying for different program benefits. Caseworkers are frustrated by the lack of client and case visibility across programs. That forces them to open many systems and juggle many views into those systems

simultaneously as they interview clients and process cases. Oftentimes, they don't have access to systems or parts of systems that are needed to support clients effectively.

2.2 Non-MAGI Medicaid Eligibility Operations

Department of Human Services (DHS) and Area Agencies on Aging (AAA) staff make more than 149,000 Non-MAGI Medicaid eligibility determinations every year. These decisions affect:

- Clients of Aged, Blind, and Disabled programs (~84,000 cases)
- Clients of the Old Age Assistance program(~40,000 cases)
- Clients of the Qualified Medicare Beneficiaries program (~25,000 cases)

Roughly half of those determinations are made by DHS staff in local offices of the department's Aging and People with Disabilities (APD) program. The remainder are made by AAA staff in Marion, Polk, Yamhill, Tillamook, Clatsop, Multnomah, Lane, Linn, Lincoln and Benton counties. (Area Agencies on Aging are typically county-chartered organizations that provide assistance and services for people over the age of 65 and people with disabilities who need assistance. In the Oregon counties listed above, the AAA delivers DHS's APD Medicaid program under contract with the department, including making initial and ongoing financial eligibility determinations.)

The Non-MAGI Medicaid eligibility caseload is projected to grow about 9 percent over the next four years. Without any improved efficiency in making eligibility determinations, the added case load will require at least 25 more eligibility workers to be hired, trained, and deployed across the state.

The process of taking applications, reviewing them, and making Non-MAGI Medicaid eligibility determinations is often expensive, slow, and error-prone. For example, recent measures of Non-MAGI Medicaid cases found workers spending an average of 28 minutes screening each application and taking another 110 minutes to make the eligibility decision. The department's 2013-2015 Statewide Review found error rates ranging from 4 percent to 44 percent for these cases.

2.3 Integrated Eligibility (SNAP, TANF, ERDC) Operations

DHS and AAA staff make approximately 130,000 Supplemental Nutrition Assistance Program (SNAP) eligibility determinations every year for APD program clients. (Those 130,000 households include roughly 155,000 individuals.)

DHS's Self-Sufficiency Program (SSP) staff make the remainder of the eligibility determinations for SNAP, and also make eligibility determinations for the Temporary Assistance to Needy Families program (TANF) and the Employment-Related Day Care program (ERDC). The SSP caseload for those programs is:

- SNAP: ~305,000 households (~620,000 individuals)
- TANF: ~30,000 cases
- ERDC: ~7,700 cases

The Spring 2015 DHS | OHA Caseload Forecast predicts a modest decline in SNAP cases for 2015 to 2017 (from roughly 435,000 households to 420,000 cases). It notes continuing growth in

the proportion of SNAP cases that are managed in APD/AAA offices. It projects a similar rate of decline in the number of TANF cases and small increase in the number of ERDC recipients.

Errors occur in these programs, too. The most recently available internal quality control review data for the SNAP program found that in a sample of cases where applicants were determined to be ineligible, that decision was wrong more than 19 percent of the time. In a sample of SNAP-eligible cases, the difference between the benefit amount awarded and the correct amount averaged a little less than 3 percent of the benefit amount. (Some errors were overpayments. Others were underpayments.) In the TANF program, the difference between the amount awarded and the correct amount exceeded 28 percent of the benefit amount.

2.4 Technology Limitations

The DHS technology environment is laden with risks due to the age of these systems, their limited interoperability, and the difficulty of maintaining them to keep up with federal policy changes. Eligibility data are often duplicated in multiple, unintegrated systems and are not readily shared among the many programs and systems that process service authorizations and provider payments resulting in additional errors or delays in case processing. A good example of this is cases where a worker in an APD/AAA office evaluates a client's eligibility for medical assistance and SNAP and determines the client is SNAP-eligible only. This case will be referred from the APD/AAA office to an SSP office for ongoing case management. The information system used in the APD office (OregonAccess) does not have an interface to the system used in the SSP office (TRACS) so data must either be transferred with a cut-and-paste operation, re-entered from a paper application, or collected from the client all over again.

Case transfers in the opposite direction (from an SSP office to an APD or AAA office) are also problematic. Anecdotal reports include times where these transferred cases went unnoticed for three to six months. Other reports noted that the likelihood of fraud increases when a household is split between an SSP branch and an APD/AAA branch due to the absence of connections between the systems.

Similar, and often more complicated, coordination problems arise for clients of the Intellectual and Developmental Disabilities (IDD) program. The case managers who provide case coordination for long term care or support in the IDD program are predominantly employees of local county-run Community Developmental Disabilities Programs (CDDP) and Adult Support Service Brokerages. While these offices are under contract with the Department to provide case coordination for IDD services, they do not manage the Medicaid financial eligibility case for their clients. This leaves clients and their families in a position of having to contact and work with the APD or AAA branch closest to their home location. Because service cases are managed in multiple legacy systems, which differ from the systems in which the medical eligibility cases are managed, complex and time-consuming human intervention is required to assure both medical and long-term service benefits are maintained and managed correctly.

2.5 Lessons Learned from Previous Attempts at Integrated Eligibility Determination System Development

In recent years, DHS tried more than once to develop an on-line, automated eligibility system. The approach in those attempts included purchasing technology for a rules-based eligibility

system, and building that system from the ground up, specific to Oregon's unique eligibility and business process requirements. Those attempts were unsuccessful.

Through those failed attempts and through the successful experience at the current OHA MAGI Medicaid Transfer Project, DHS has learned that transferring a system that is already working in another state, and making only mandatory functionality changes will significantly increase the likelihood of project success. The process being proposed for the Integrated Eligibility Determination Project will capitalize on the lessons learned from successful and unsuccessful eligibility determination automation projects, including, but not limited to, the following:

- Establish clear, defined governance process
  - Ensure appropriate information is available for Executive Leadership decision making
  - Define a process for collaborative decision making inside of DHS (APD vs SSP) and define an issue escalation process
  - Define a process for overall system governance in collaboration with OHA
  - Define a governance process between business program areas and IT
  - Ensure right people are at the table for project – from decision makers down to project staff (best people for project are vital resources to other parts of the agency)

- Spend sufficient time planning in support of project objectives
  - Define a shared vision of the project's objectives from Agency Leadership
  - Remember to focus on customer needs; when choice exists between meeting an agency need and providing a customer benefit, choose the customer
  - Balance the number of voices for initial decisions with buy-in by others later; keep the requirements definition group lean and establish vetting sessions with broader audiences

- Architecture & Technology
  - Use technology already in place whenever possible
  - Limit the number of technical changes to base system in a transfer project

- Change Management
  - Follow a defined methodology for organizational change management; use experts to supplement business expertise and experience
  - Ensure business leaders own change management and act as translator between project, IT, and operations, focusing on getting users ready for system

- Communication Management
  - Dedicate communication professionals to the project

- Financial Management
  - Develop accounting procedures that align with the cost allocation methodology

- Scope Management
  - Minimize changes to the transfer system; be willing to change policy & business process before making technology change
  - Set scope & stick to it; use a defined scope management process for changes

- Schedule Management
  - Balance timely decision making with substantive analysis
  - Set realistic expectations for project staff workloads; the project should be a marathon, not a sprint

- Vendor Management
  - Define partnership between vendor & business in order to get project accomplished using defined roles & responsibilities
  - Remember the business has ultimate authority in places of conflict with the vendor

3 Opportunity Definition

3.1 OHA's MAGI Medicaid Eligibility System

3.1.1 Transfer System from Kentucky

The Oregon Health Authority (OHA), the state's designated Medicaid agency, is in the process of implementing a new system for MAGI Medicaid eligibility determinations. That system is called Oregoneligibility, or ONE, and is the result of transferring the State of Kentucky's Affordable Care Act compliant state-based marketplace solution (*kynect*) for use in Oregon. Originally built in Kentucky by Deloitte Consulting, *kynect* operated as the MAGI Medicaid eligibility determination system of record for more than a year before OHA signed an agreement with the Kentucky Cabinet for Health & Family Services to transfer the code and associated documentation to Oregon. The code has been installed on servers at Oregon's State Data Center and will be operated as a production system from that location. The ONE system will be used by OHA to make approximately 900,000 individual MAGI Medicaid eligibility determinations and redeterminations each year.

OHA accepted the *kynect* production system as meeting the bulk of its business needs and therefore made very few technical changes to the system, instead focusing on making policy and process changes to its business wherever feasible in order to minimize the risk with the initial system implementation in Oregon.

3.1.2 Phased Implementation

OHA is in the process of implementing the ONE system in two phases. First, in December 2015, it will enable the Worker Portal for use by eligibility workers to determine MAGI Medicaid eligibility for applicants who submit an application by mail, fax, phone, or through the Federally Facilitated Marketplace (FFM) at the federal Healthcare.gov.

The second phase will implement the customer facing Applicant Portal on February 6, 2016, the first Saturday after the Open Enrollment Period closes. The applicant portal will be used by Oregonians and community partners/assisters to apply for MAGI Medicaid benefits or to report changes in circumstance. It allows them to enter and update their income, family composition, address and other eligibility-related information, upload documents, communicate with workers assigned to their cases, and participate in re-certification activities, all without having to fill out paper forms, visit a field office, or contact a call center.

3.1.3 ONE Benefits & System Functionality

Key benefits of the ONE System include:

- Better coordination of care for mixed household families because applicants complete a single application through the HealthCare.gov website or within the ONE system to receive an eligibility determination for MAGI Medicaid/CHIP or private health insurance
- Oregonians can set-up an account, report changes and receive real-time eligibility determinations via the user-friendly Applicant Portal
- Simplified OHA eligibility workload via an automated process that generates tasks for case management
- Centralized and verified enrollment data available for Coordinated Care Organizations
- Consistent high quality data source for reporting CMS-mandated operational statistics

ONE System Functionality includes:

- Workflow automation using task queues inside the Worker Portal
- Automated business rules using Corticon Rules Engine – including real time eligibility determination to support the Applicant Portal
- Automated notice generation using HP ExStream
- Address validation service using Melissa Data
- Automated verification interfaces with the Federal Data Services Hub, the state Medicaid Enrollment System (MMIS), and the Oregon Employment Department
- Automated Bi-Directional Account Transfer with the FFM & Minimum Essential Coverage check for Medicaid benefits
- Integration with the existing document management service provided by DHS Imaging and Records Management System
- Integration of Computer Associates Identity & Access Management Solution to provide single sign-on integration with OHA's Active Directory

3.2 Federal Partnership

3.2.1 A-87 Cost Allocation Exception

On August 10, 2011, three federal agencies (Centers for Medicare and Medicaid Services (CMS), Food and Nutrition Services (FNS) and the Administration for Children & Families (ACF)) announced a time-limited, specific exception to the cost allocation requirements set forth in Office of Management and Budget (OMB) Circular A-87 (Section C.3) and Section 200.405 of the superseding "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (2 CFR 200 issued December 19, 2014). These provisions generally require the costs associated with building shared state-based information technology systems to be allocated across all benefitting programs. The exception reflected a federal focus on streamlining enrollment in health and human services programs while leveraging funding efficiencies at the state-level.

3.2.2 Timeline Extension

The original timeline allowed human services programs to benefit from investments in the design and development of state eligibility-determination systems for state-operated Marketplaces, Medicaid, and the Children's Health Insurance Program (CHIP), through December 31, 2015. On July 20, 2015, the three agencies extended that timeline for an

additional 3 years, through December 31, 2018, and provided additional guidance on how states may take advantage of the exception and the extended timeframe to leverage these investments to better serve consumers' multiple programs and needs.

The underlying premise for the waiver remains the same: to maintain the progress states have made, and to promote further integration. This will enable states like Oregon that experienced unanticipated delays with the development of the Medicaid Modified Adjusted Gross Income (MAGI) functionality in their eligibility systems, procurement challenges, and other unforeseen barriers to complete that work and then effectively use the waiver extension to streamline their eligibility systems, improve access to health and human service programs, and maximize efficiency.

The extension of the exception to certain OMB cost allocation requirements, along with a proposed indefinite extension of enhanced Federal funding for Medicaid systems, will enable states to fund the initial development costs needed to retire their legacy eligibility determination systems and integrate their functionalities into improved systems. Moreover, the extension will provide states more time to develop, refine, or test integrated systems to fully comply with Affordable Care Act requirements.

3.2.3 Oregon's Discussion with Federal Partners

DHS has held preliminary discussions with all three of these federal partners. Each has indicated that it will be on board supporting the development of a fully integrated eligibility determination system. In support of DHS' Integrated Eligibility Determination Project, CMS would fund all system components necessary for Medicaid eligibility determinations, including those components that also served other programs, at its 90/10 match rate. FNS would fund SNAP-only components at its 50/50 match rate, and ACF would allow the state to devote TANF and ERDC funds to support the development of components that were confined to those programs.

CMS has already approved moving ahead with the development of automated Non-MAGI Medicaid eligibility determination capability. In that approval, CMS directed DHS to extend the ONE system, saying CMS would not provide enhanced funding for the development of more than one eligibility determination system.

3.3 Kentucky's Integrated Eligibility/Service Delivery System

3.3.1 Overview

Kentucky's Cabinet for Health & Family Services (CHFS) embarked on an ambitious Information Technology modernization program to replace a collection of legacy systems that supported Health and Human Services programs. The cabinet's goal was to modernize Information Technology (IT) solutions to improve delivery of services and increase worker productivity, through maximizing the funding opportunities available from Affordable Care Act and CMS 90/10 funding. The modernization program included implementation of a state-based Health Insurance Market place, an integrated eligibility and enrollment system, and several other enterprise IT capabilities. The cabinet is poised to achieve the following as a direct result of the modernization program:

- **Streamlined Field Operations**– Increased worker productivity, simplified process steps, reduced case processing cycle times, and reduction in total administrative costs of delivering benefits.
- **Transformed Service Delivery** – Transformed service delivery, providing multiple channels of access (walk-in, online, mail, call centers, fax, mobile, imaging, etc.), and interactive processing across geographic units.
- **Program Compliance and Monitoring of Fraud and Error** – Flexibility for worker performance while maintaining strict adherence to program mandated compliance through checkpoints and controls for measurement and proactive response.

3.3.2 Medicaid and Human Services Eligibility and Enrollment Release Summary

The table below describes the evolution of the non-state based marketplace functions in the *kynect* system to become an integrated eligibility determination system that extends the current production functionality to support all Human Services programs.

Release	Functionality	Go-Live Date
3	• Worker Portal: Case Management Module • Admin Module supporting MAGI Medicaid	December 16, 2013
4	OHA transferred the Release 4 code, the foundation of the ONE system, in March 2015 • E&E System supporting all remaining Medicaid programs • Quality Control • Quality Assurance • Redetermination • Renewals • Appeals • Complaints & Fraud	June 30, 2014
4A	• Registration and Assessment, Eligibility and Enrollment, Individual Service Plan, Case Management, Interim Provider Management, Operational Reports – Part 1, Integration with Kentucky's security solution, Master Client Index and Document Management System • Integrated Rules Driven Assessment, Consumer Self Service, Consumer Directed Option, Waiver Eligibility Integration, Interest List, Incident Management Portal, Operational Reports – Part 2	April 17, 2015

Release	Functionality	Go-Live Date
5	Kentucky calls its Release 5 "*Benefind*" rather than *kynect* • New Human Services Programs o SNAP o TANF o Low Income Home Energy Assistance Program (LIHEAP) o Medicaid Waiver Management Application (MWMA) Integration o Child Care • New supporting functionalities o Managed Care Enrollment management o Quality Assurance & Quality Control o Business Intelligence o Comprehensive Task Management	December 28, 2015

3.3.3 kynect becomes Benefind

The Kentucky state-based marketplace preferred to have *kynect* have the look and feel of searching for private insurance rather than state programs, so it developed a separate applicant portal for other human service programs and called it Benefind. Key application components in the *kynect/Benefind* system for integrated eligibility determination are described in the following table.

Title	Description
Worker Portal	Module used by the State Agency workers to collect individual/family information to process SNAP, TANF, and/or Medicaid applications. Individuals can apply for one or more programs in a single application, and the module has a capability to interactively ask questions during the interview process based on the programs applied. Throughout the interview process, the modules call interfaces to verify information, as needed.
Eligibility Determination (Rules engine)	Rules base eligibility determination module to determine eligibility for main program and the sub programs to provide best possible benefits for the applicants. For example, when an individual applies for Medicaid, the rules engine cascade down through the Medicaid program hierarchy to provide best Medicaid coverage for the individual.
Benefit Issuance	This module manages daily or monthly issuances for SNAP/TANF/ERDC programs that are issued to individuals/vendors to support initial, monthly or supplemental payments.

Benefit Recovery	This module provides end to end management of SNAP, TANF, Child Care claims. It computes discrepancy, establish claim and start recoupment either through the benefit reduction process or other processes such as tax intercept.
Correspondence	This module manages generation of consolidated correspondences that are issued to the applicants and other stakeholders like vendors.
Task Management	A comprehensive task management module that supports key business processes. The module allows management of human services case management functions as a coordinated set of tasks.
Quality Assurance and Quality Control (QA/QC)	Module to create Random/Targeted sample universes for worker to review SNAP, TANF and Medicaid cases
Hearing/Appeals	Implements end-to-end work flows to support the hearings and appeal process. This module is also integrated with task management module.
Business Intelligence/Management Reports	This module implements operational reports, analytical reports and provides the framework and infrastructure required for several adhoc reporting needs.
Authentication and Identity proofing service	System for authorization and authentication services for users requesting access to various modules of the system.
Document Management Services	Implements electronic case files functionalities where all documents submitted to the agency are indexed and filed for easy access.
Mobile and Tablet Application	Mobile app with full application features for citizens, community partners (application assisters) to apply for health coverage
Self Service Portal for Human Service programs	Self Service Portal for citizens to apply for SNAP, TANF and Medicaid programs.
Medicaid Waiver Management Application (MWMA)	A complete waiver workflow management module to determine eligibility for Medicaid waiver programs and enrollment into waiver services.
Master Client Index module (MCI)	Master client index module which uniquely identifies citizens. It also provides a 360 degree view of citizen enrolled in public assistance program(s).
Interfaces	Implements all required State & Federal Interfaces. Interfaces module also implements an integration framework that supports several integration patterns.
Medicaid Managed Care Enrollment Management	Module for auto assignment and management of Medicaid enrollees in managed care plans (MCOs)

3.3.4 Change in Leadership in Kentucky

In November 2015, Kentucky elected a new governor who campaigned on a promise to eliminate the state-based marketplace. However, because this system was built with federal dollars, it is in the public domain and is available for Oregon's use. As a risk mitigation strategy, the DHS Chief Operating Officer of Technology requested permission to transfer the code to

Oregon immediately. That permission was granted and Release 5 code is in Oregon's possession for DHS's potential future use.

3.4 Oregon's Department of Human Services' Opportunity

Assuming that both Kentucky's integrated eligibility project and Oregon's ONE project are successful, and given CMS direction that it will only provide a 90/10 funding match for extending the ONE system, the time is clearly right to consider extending ONE to support Non-MAGI Medicaid eligibility determinations and eligibility determinations for other DHS Human Service programs too.

3.4.1 Citizen Expectations

Today's consumers increasingly communicate in real time via web-based services accessed from virtually anywhere. Technological advances and experiences in consumer marketplaces have resulted in DHS customer expectations that are much higher than they were just a few years ago. Citizens expect to be able to access information about government programs simply and quickly. They expect to be able to find information and connect with programs without needing to first figure out which programs and benefits are administered by which agencies and levels of government. Some are beginning to demand virtual "one stop shops" where they can connect with government programs from all of the agencies that serve people in circumstances like theirs. They expect to access benefits and services without having to report physically to a field office or having to fill out paper forms. And they expect on-line government services to set and meet the highest possible standards for security, confidentiality, and data privacy.

In a 2013 survey, 88 percent of DHS customers indicated they would apply for services on-line if that option were available. Another 10 percent said they were somewhat likely to apply on line. In the same survey, respondents rated accuracy and clear communications as high priorities, and did not prioritize talking with a specific worker or another worker who knew their specific case.

Recent DHS surveys of customer satisfaction reveal that DHS customers are satisfied with the services they receive 83 percent of the time. This satisfaction score could increase by providing DHS customers with an on-line, one stop portal for access to DHS services. Additionally, this project will result in the ability for customers to self-serve not only in the initial application process, but also for information updates throughout their certification period and at re-certification. Customers will be provided with an alternate way to communicate with their eligibility case workers without having to stand in line at a field office, or wait on-hold on the phone.

3.4.2 Human Service Eligibility Program Comparison – Kentucky to Oregon

As part of evaluating the feasibility of transferring an integrated eligibility system, DHS compared Kentucky's and Oregon's SNAP, TANF, and ERDC programs. As evident in the tables below, the programs are similar in their overall business requirements.

3.4.2.1 Supplemental Nutrition Assistance Program

Program Eligibility Comparison for Supplemental Nutrition Assistance Program

	Kentucky	Oregon

Eligibility Criterion	Supplemental Nutrition Assistance Program	Supplemental Nutrition Assistance Program
Family Composition and Residency	• Recipients must live in Kentucky • Recipients must be U.S. citizens or certain legal foreign residents of the United States • A household is any person, family or group of people who live and buy and eat food together • The following people must be included in one household account, regardless of whether they purchase and prepare meals separately: o A spouse of any household member o Parents living with their natural, adopted or stepchildren who are age 21 or younger o Children younger than 18 who are dependents of an adult household member	• Recipients must live in Oregon; does not require intent to remain to establish residency • Recipients must be U.S. citizens or certain legal foreign residents of the United States • Filing group consists of members of a household group who choose to apply together or customarily purchase and prepare meals together • The following people must be included in one household account, regardless of whether they purchase and prepare meals separately: o A spouse of any household member o Parents living with their children who are under the age of 22 o Children younger than 18 who are financially dependent of an adult household member
Income	• Less than 130% of FPL for most households; 165% for elderly/disabled	• Less than 185% of 2015 FPL
Resources	• A household may have no more than $2,000 in assets OR $3,250 if a member of the household is 60 or older • Cash and bank accounts are counted; the dwelling, its contents and personal belongings, and vehicles are excluded	**Non-Categorically eligible households** • Have a resource limit of no more than $2,250 in resources OR $3,250 if a member of the household is 60 or older or disabled • Checking accounts, saving accounts, cash on hand, stocks and bonds, equity in vehicles, real property, etc., are counted. **Categorically eligible households** • Have a resource limit of $25,000 in liquid assets (checking accounts, savings accounts, cash on hand)
Employment	• Anyone in a household who is 16 to 60 years old and can work must register for, look for, and accept work. There are some exceptions to this requirement.	**OFSET (Employment and Training)** • Clients deemed mandatory because they do not meet an exemption must participate in a jobs activity for an eight week period every 12 months • Must accept bona fide offers of employment, even if it's part-time

		ABAWDS (Abled Bodied Adults without Dependents) • Only applicable in Multnomah and Washington counties, as the rest of the state is under a waiver • Requires those aged 18-49 without a filing group member under the age of 18, who do not meet an exemption, to participate a minimum of 20 hours a week, an average of 80 hours a month of special work requirements
Benefits	• Benefits are issued on an Electronic Benefit Transfer (EBT) card • The benefit amount depends on income and household size. • Benefits may be used to purchase almost any food item, except ready-to-eat hot foods • Benefits may be used to buy seeds and plants to grow fruits and vegetables • Benefits may not be used to buy tobacco, alcohol, pet food, soap and other household products, medicines, and other non-food items	• Benefits are issued on an Electronic Benefit Transfer (EBT) card • The benefit amount depends on income, household size and minus any applicable deductions • Benefits may be used to purchase almost any food item with a nutrition label, except ready-to-eat hot foods • Benefits may be used to buy seeds and plants to grow fruits and vegetables • Benefits may not be used to buy tobacco, alcohol, pet food, soap and other household products, medicines, and other non-food items • There is a cash out program in Multnomah, Washington, Columbia and Clackamas Counties for seniors and people with disabilities
Certification Periods	• Varying lengths of certification periods depending on household characteristics • Periodic reports required at least once every six months, except for elderly or disabled (12 months)	• Varying lengths of certification periods depending on household characteristics • Periodic reports required at least once every six months, except for elderly or disabled (12 months)
Deductions	• Utilizes Standard Utility Allowance (SUA) instead of actual utility costs.	• Utilizes Standard Utility Allowance (SUA) instead of actual utility costs

Other	• Students are ineligible unless working 20 or more hours per week or have a child under age 6 or are a single parent of a child under age 12 and going to school full time • Must meet with a worker or do interview over the phone. Must be able to provide identification, social security numbers for everyone applying, proof of who lives in your home (can be written statement), proof that you live in Kentucky, proof of child care costs or child support paid, proof of living expenses, and proof of money you have received in the past 60 days, including pay stubs. • For ineligible non-citizens, income and deductions are prorated for both groups, which includes counting all income and deductions, or a prorated share. As well as, counting none of the income and deductions (with the allotment capped at the level that an all-eligible household would get), or a prorated share. • May disqualify applicants or recipients who fail to perform actions required by other means-tested program, primarily TANF.	• Students aged 18 to 49 attending a higher education program that requires a diploma or GED at least half time must meet additional special criteria • Must meet with a worker or do interview over the phone. Must be able to provide identification, social security numbers for everyone applying, verification of income for recent representative month, and for non-citizens proof of lawful immigrant status of each household member seeking benefits • For ineligible non-citizens, income and deductions are prorated for both groups, which includes counting all income and deductions, or a prorated share. As well as, counting none of the income and deductions (with the allotment capped at the level that an all-eligible household would get), or a prorated share. • May disqualify applicants or recipients who fail to perform actions required by other means-tested program, primarily TANF.

3.4.2.2 Temporary Assistance for Needy Families

Program Eligibility Comparison for Temporary Assistance for Needy Families

Eligibility Criterion	Kentucky Temporary Assistance for Needy Families	Oregon Temporary Assistance for Needy Families
Family Composition and Residency	• Recipient must be a US citizen • Family must have a child under 18 living in the home OR Pregnant woman must be within one month of her due date • Children must be citizens or have eligible alien status • Children must be 18 years old or younger OR Children must be full time student with expected graduation date before age 20	• Recipient must be a US citizen or have qualified non-citizen status (may be waived temporarily if domestic violence is a factor) • Family must reside in Oregon • Family must have a caretaker relative and a child under 18 living in the home OR Pregnant woman must be within one month of her due date (may be earlier if domestic violence is a factor) • Caretaker relative must meet certain blood, adoption, marriage relationship requirements • Children must be citizens or have qualified non-citizen status • Children must be under 18 years old OR 18 years old and a full-time student in HS or GED • Until March 2016, a child must be deprived of parental support due to continued absence, incapacity, or under/unemployment
Income	• Your family must earn less than a certain amount of money per month	• To qualify for TANF, families must have very few assets and little or no income. • Your family must earn less than a certain amount of money per month
Resources	• Countable assets must be $2,000 or less and licensed vehicles needed for individuals subject to the work requirement may not exceed $8,500	• Countable assets must be $2,500 or less for applicants, for individuals in sanction status, and for families with no caretaker relative in the need group • Countable assets must be $10,000 or less for all other recipients • Exclude up to $10,000 equity value of all motor vehicles; remaining equity counts toward asset limit • Applicants and recipients must pursue alternative assets available to them • Applicants and recipients must assign their support rights to, and cooperate with, child support

Employment	• Adults in families receiving cash assistance must work or participate in work related activities for a specified number of hours per week depending on the number of work-eligible adults in the family and the age of children	• Adults in families receiving cash assistance must work or participate in work-related activities for a specified number of hours per week depending on the number of work-eligible adults in the family, the age of children, and the family situation • Caretaker relatives must not be separated from their most recent employment due to discharge without good cause, or due to voluntarily quitting without good cause • Needy caretaker relatives must complete an employability screening
Benefits	• The current maximum monthly benefit for a family of 3 with a monthly gross income of $974, is $262	• The current maximum monthly benefit for a family of three is $506.
Certification Limits	• A family may receive benefits for no more than 60 total months. The 60 months needs not be consecutive	• Eligibility must be recertified every 6 months for families who have an open JOBS plan and are not participating or an active JOBS disqualification OR Eligibility must be recertified every 12 months • Recertification may be done earlier if deemed necessary by the case manager or to align with SNAP benefits • Heads of household may receive benefits for no more than 60 total months. The 60 months need not be consecutive. There are hardship exemptions that can stop the clock or extend benefits beyond 60 months. Children are not subject to the time limit.
Other	• Recipient must have a social security number	• Recipient must have a social security number

3.4.2.3 Employment-Related Day Care

Program Eligibility Comparison for Employment-Related Day Care

Eligibility Criterion	Kentucky Child Care Assistance Program	Oregon Employment-Related Day Care Program
Family Composition and Residency	• Recipient must be resident of KY • Child must be a U.S. citizen or a qualified alien • Child must be under 13 or be 13-19 and physically or mentally incapable of self-care • Recipient must be parent by blood, by marriage, or by adoption, or recipient must be the legal guardian or standing *in loco parentis* in relationship to child	• Recipient must be a resident of OR • Child must be a U.S. citizen or qualified non-citizen (includes non-citizens who are at risk for, or currently the victim of domestic violence, and victims of severe trafficking) • Child must be under 12 or be 12-17 and receiving care due to special circumstances and needs • Recipient must be a parent or caretaker who has care, control, and supervision of the dependent child (not required to be a relative)
Income	• Less than 150% of 2011 FPL (On-line calculator considers earned income, net child support, social security, TANF, and "other sources")	• (At initial certification) Less than 185% of 2015 FPL (Application asks for all sources) • (On-going and at recertification) Less than 250% of FPL and less than 85% of the state median income
Resources	• No requirement	• No requirement
Employment	• Must be employed and average at least 20 hours per week for a single parent or average 40 total hours per week for a couple OR A teen parent attending high school or pursuing a GED OR Participating in the Kentucky Works Program OR Have a child protective or preventive services authorization	• Must be employed (no minimum number of hours) and if a couple, both must work and schedules must overlap (unless one parent cannot provide care due to a verified medical condition) Oregon does not cover teen parents attending high school or pursuing a GED, participants in an Oregon employment program, or parents who have children in protective or preventive services authorizations.
Benefit	• The program pays the provider's bill—less a copay—up to a maximum rate that depends on the age(s) of the child and the provider type • Recipient pays a copay that depends on income plus any part of the provider's rate that exceeds the maximum rate	• The program pays the provider's bill—less a copay--up to a maximum rate that depends on the age(s) of the child, provider type, location, and special care needs • Recipient pays a copay that depends on family size and income plus any part of the provider's rate that exceeds the maximum rate

Other	• Must use a provider that is licensed, certified, and registered	• Must use a provider that meets DHS requirements (includes licensed and licensed exempt providers)

3.4.3 HB 2219 – Single Streamlined Application for Human Service Programs

HB 2219 requires DHS to convene a work group consisting of "human service agencies" to study how to create a consolidated application process. This consolidated application will allow people to apply for and obtain assistance in accessing food, housing, medical care, education, employment services, child care and other social services. A consolidated application process is expected to: 1) decrease the time an applicant spends filling out similar paperwork for different programs, 2) decrease the time agency staff spends processing paperwork, and 3) reduce the burden on applicants to navigate their own way through an often complex system of programs.

HB 2219 names these agencies as "human service agencies":

- Department of Human Services
- Housing and Community Services
- Oregon Health Authority
- Department of Education
- Office of Child Care
- Higher Education Coordinating Commission

The bill goes on to say that DHS will convene a work group with staff from these agencies, the Office of the State Chief Information Officer, and others whom the department deems necessary to study how to create a consolidated application process. HB 2219 also directs the work group to submit recommendations to the Legislative Assembly. The recommendations must include proposals ensuring that all human service agencies have necessary access to client records, while ensuring that the information is used only by authorized persons and only for the purpose of facilitating the client's access to needed services. The report to the Legislature is due by September 15th, 2016.

An integrated eligibility system will better position DHS for the likely recommendations of that work group.

3.4.4 DHS Field Operations Efficiencies

A fully integrated eligibility system will extend gains in efficiency and accuracy to the SNAP, TANF, and ERDC programs. It will improve integration between DHS's Non-MAGI Medicaid program and OHA's MAGI Medicaid program, and it will improve integration and the case transfer process among DHS programs. Simplifying these handoffs will help to maintain continuity of benefits and prevent client needs from slipping through the cracks.

Eligibility decisions will occur in a more timely fashion with the delivery of an integrated eligibility system. Workers will not be downloading paper applications, manually entering information into multiple screens from paper, and performing manual verification checks in multiple systems,

resulting in fewer processing errors and greater integrity of the data in the system. Accuracy of eligibility decisions and benefit amounts will also increase with automation of these activities.

A new system will better meet client expectations about speed, accuracy, and ease of use, based on their experiences with other on-line services. The system will give Oregonians the flexibility to apply for benefits in the manner most appealing to them, and they will be able to make immediate, real-time changes to information about their circumstances, completing these actions either on-line, via telephone, or in person in a field office in their local community. They will have 24-hour access to information about the status of their eligibility cases. The ability for customers to update their own personal information, with automated processing of those updates, will save worker time in the DHS offices. It will also allow for more efficient communications between workers and their assigned customers, with the ability for customers to email their worker at any time a day with information or questions about their case.
Staff in DHS and AAA offices will be able to get back to spending more time with people, assisting them with their needs, and less time with paper processes and files. Additionally, DHS staff who are serving customer needs in their own homes, or places of residence, will be able to access information from those locations and update information. This allows for the worker to save time once they are back in the office, as the updates will already be complete. They will no longer have to upload and update information upon returning to the office.

3.4.5 Alignment with DHS/OHA Strategic Technology Plan

The DHS/OHA Strategic Technology Plan (STP) includes a number of strategies that the Integrated Eligibility Determination Project will support. Strategy #1 in that plan is titled Business Automation and calls for the automation of workflows, decision-making, and business rules while reducing manual, paper-based processes. This project will automate workflows and the application of business rules in each of the programs within its scope. Strategy #2, Dynamic Needs Supported by Seamless Services, is well supported if the project includes a number of programs in its “one stop shop” for citizens. Similarly, an integrated eligibility system will advance us in pursuit of Strategy #5, which calls for assembling a “comprehensive view of clients.” Finally, the STP calls for enabling connectivity “anytime, anywhere,” encouraging the development of on-line self-service capabilities for clients and mobile virtual workplaces for agency staff. An integrated eligibility determination system will do just that. The table below summarizes the various components of the STP that an integrated eligibility system will satisfy.

Comprehensive View of Clients	o Supports use of a master client record o Single location for verified client data (e.g. financial, eligibility, benefit etc.) o Facilitate future view of an integrated case and payments through integration with legacy case management and payment systems
Trusted Sources for Health & Human Service Data	o Reduce data duplication and entry into multiple systems through single application for various programs. o Reduce data inconsistencies and inaccuracies through workflow automation o Trusted source for verified client data (e.g. financial, eligibility, benefit etc.) o Improve data access and data share across programs through integration with other DHS systems. o Role based data access and security improves data protection and compliance.

	o Consistent and accurate data reporting and analysis o Field-level audit and reporting capabilities
Business Automation	o Automated workflows using task queues inside the Worker Portal o Automated decision making and business rules using the business rules engine o Reduced manual and paper based processes o Real time determination of eligibility and benefit amount o Automated verification of client information o Interface with legacy systems
Connectivity Anytime, Anywhere, in Multiple Ways	o Applicant and worker portal allows real-time, 24/7 access to application, eligibility, and benefit information. o Clients can apply, update information, report change in circumstances, and communicate with their assigned case workers through multiple channels. o Multiple device and browser agnostic capability supports connectivity from anywhere
Dynamic Needs Supported by Seamless Services	o Industry best practices and standards based modular architecture and design (e.g., Service Oriented Architecture (SOA), Enterprise Service Bus (ESB) etc.) enables to leverage existing functionality and also expose functionality through web services

3.5 Project Objectives

DHS believes pursuing an Integrated Eligibility Determination Project makes sense. The high-level business objectives driving this effort are:

- Allowing applicants to apply for benefits on-line, reducing the need to travel to local offices and reducing the need to provide duplicate information when applying for benefits from more than one program
- Automating manual processes in order to:
    - Reduce the amount of time that elapses between completing an application and making an eligibility determination
    - Reduce the amount of time that staff must spend creating, reviewing, and acting on each application
    - Reduce the rates of errors in making eligibility determinations
- Allowing for seamless sharing of information and transfer of cases among program staff

4 Alternatives Analysis

DHS has identified and evaluated four alternatives. They are:

- Implement Non-MAGI Medicaid Eligibility Determination into the ONE system
- Implement Integrated Eligibility Determination into the ONE system
- Acquire External Eligibility Services from Another State
- Do Nothing

These alternatives are described in detail in section 4.3 below.

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4.1 Assumptions and Constraints

These constraints are factors in the Alternatives Analysis below:

- CMS will not support enhanced funding for a Non-MAGI Medicaid solution that is separate from ONE
- CMS will support enhanced funding (90%FF/10%GF) for Non-MAGI Medicaid eligibility within ONE through at least December 2018
- The A-87 Cost Allocation exception to support integration of other human service programs in ONE system will remain in place through December 2018

These assumptions are factors in the Alternatives Analysis below:

- OHA's new MAGI eligibility system, ONE, will become fully operational in February 2016 and will successfully complete its warranty period by May 2016
- Maintenance & operations of the ONE System will be completed by Deloitte Consulting with oversight from state employees
- Kentucky's extension of its MAGI eligibility system will become fully operational in December 2015 and successfully transition into stable maintenance and operations within six to twelve months
- The legislature—which has already approved planning funds for the project--will approve the state's share of implementation costs during its 2016 session – releasing funding at various phases of the implementation process which will go through the 2017-2019 biennium.
- Project oversight, operations oversight, and contract management efforts will sufficiently orchestrate OHA's ONE operations and maintenance work, OHA's ONE MAGI enhancement efforts, and this project so that none prevents the others from being successful.
- DHS leaders, acting in a fashion similar to OHA's leaders on the ONE project, will support a strategy of minimizing the amount of customization required when transferring Kentucky's solution to Oregon. (This requires a willingness to change policies, procedures and administrative rules, rather than changing the system when the system doesn't support some current Oregon practices.)
- Business staff (subject matter experts, business leaders, and other stakeholders) will be made available in sufficient numbers to the project when they are needed.
- Technical staff will be made available to the project when they are needed
- The planning horizon in the sections that follow extends until June 2019, covering the implementation of the system described in this business case and the first six months of operations and maintenance.

4.2 Solution Requirements

4.2.1 High Level Requirements

These are the highest level requirements for the solution:

- Applicant Portal
  Modification of the ONE Applicant Portal so it supports on-line, self-service application for Non-MAGI Medicaid benefits, and for SNAP, TANF, and ERDC benefits. The applicant portal must allow applicants to suspend work on partly completed applications and return to them later. It must allow applicants to monitor the progress of reviewing

completed applications and allow applicants to upload documents and communicate with their eligibility worker. And it must refer applicants to appropriate office locations or phone numbers for help completing applications.

- Worker Portal (Applications)
  Modification of the ONE Worker Portal so it allows for accepting, reviewing, and authorizing Non-MAGI Medicaid applications and SNAP, TANF, and ERDC applications. Applications may arrive by paper, phone interaction, direct interaction in a field office, or the online Applicant Portal.

- Worker Portal (Verifications)
  Minimum Requirement: Ability to record workers' checks of application-related data found in external systems. These include applicant identity and demographic data, Social Security Administration-paid benefits, motor vehicle records, public and private employment records, and APD and SSP case narrations.
  Preferred Requirement: Interfaces to those systems to retrieve and present information found in them within the ONE interface for evaluation by the eligibility worker.

- Worker Portal (Eligibility Determinations)
  Support for submitting a completed application or recertification request for automated evaluation of eligibility for each in-scope program. The worker must be able to accept or override each system eligibility recommendation. The worker must also have the ability to automatically trigger combined client notice of eligibility decisions.

- Rules Maintenance
  Modification of the ONE Rules Engine so it allows for the maintenance of rules governing initial eligibility determinations and recurring changes and recertification for Non-MAGI Medicaid, SNAP, TANF, and ERDC. These rules are established in federal and state laws, rules, and policies. The system must support frequent changes in eligibility rules and it must maintain a history of time-bound rules so that one can determine the rules in effect at the time an eligibility decision was made in the past.

- Interfaces
  - Data conversion and development of an interface to Oregon Access to establish or update APD cases.
  - Extend ONE's interface to MMIS to support eligibility and enrollment decisions made for Non-MAGI Medicaid cases.
  - Extend ONE's interface to Master Data Management for Non-MAGI Medicaid, SNAP, TANF and ERDC cases.
  - Consume CI/CM functionality to the extent supported by the transfer system
  - Development of an interface to the eXPRS Payment and Reporting system for Intellectual and Developmental Disabilities case management and payment to providers
  - Integration with other state and federal system mandates by policy

- Recertification
  Support for time-driven automated generation of recertification tasks and support for on-demand worker generation of recertification tasks.

- Workload Management
  Support for monitoring and projecting workload by worker, by program, by field office, and by program within field office. Support for assigning, pausing, and restarting work on applications and groups of applications. Support for reassigning/referring applications or groups of applications among internal users and among programs or programs at particular field offices. These functions must support offices where individual employees manage eligibility cases from end to end and offices where eligibility work on all cases is pooled across all eligibility workers.

- Document Management
  Support for capturing, storing, and retrieving images and other electronic documents related to applicants and applications. Support for scanning paper documents. Support for uploading of documents through both the applicant and worker portals.

- Notifications
  Support for worker-driven and system-driven notifications to applicants, workers, and workload managers.

- Reporting
  Support for the creation of reports required for federal reporting and for workload and operations production management. Ability to create *ad hoc* reports as well as to run standardized reports on a regular cycle or on-demand.

- Identity and access management
  Support for the creation and management of accounts for authenticating external users. This must include the use of an external service that helps verify that the applicant is actually who he or she claims to be. Support for integration with DHS's Active Directory for authenticating workers who are state employees. Support for authentication and access for Area Agency on Aging staff who will access the system to perform work on behalf of the DHS APD program. Support for role-based and geography-based authorization to read and update records or perform other system functions.

- Data security
  Protection of data, whether at rest, in transmission, in display, or in reports consistent with federal, state, and agency data privacy, security, and retention laws, rules, and policies.

The following table compares the ONE System base functionality to the additions of Non-MAGI Medicaid functionality only and integrated eligibility.

Area	ONE System	Non-MAGI Medicaid	Integrated Eligibility
Programs Supported	• MAGI Medicaid • CHIP • CAWEM Regular/Plus	Adds following programs to ONE system: • Aged, Blind, Disability programs • Medicaid Waiver Management programs	Adds following Programs to ONE system: • Aged, Blind, Disability programs • Medicaid Waiver Management programs • SNAP • TANF • LIHEAP

			• Child Care
People & Process Changes	• Primarily at OHA – Customer Service Center (5503) & associated Special Services units (e.g., CMU) • Support from DHS APD & Field Offices	• Across OHA and DHS/APD service delivery, but primarily at centralized processing centers • Support from DHS Field Offices	• Across OHA and DHS—integration brings alignment to serving all clients in one system • OHA/DHS central offices and field locations
Architecture Changes	• Establishes Enterprise Architecture to support Health and Human Services program delivery	• All architecture components reused with a few extensions needed for program specific functions (e.g., workflow management) • Minor increase in processing capacity needed	• All architecture components reused with a few extensions needed for program-specific functions (e.g., workflow management) • Medium increase in processing capacity needed
Data Impacts	• Key interfaces with Federal Data Services Hub, PARIS established • Key interfaces with State's MMIS, OED systems established	• Reuse of Federal Data Services Hub interfaces • Specific additional interfaces for APD & Waiver programs	• Reuse of Federal Data Services Hub interfaces • Specific additional interfaces for APD & Waiver programs • Specific additional interfaces for SNAP, TANF, LIHEAP, and Child Care programs
Legacy System Sun setting	Core Eligibility System, OHA Enrollment and File Clearance system	Replaces APD program functions in the Client Maintenance (CM) system and Waiver program functions within OregonAccess	Replaces Client Maintenance (CM), Client Index (CI), CAP/CAPI, and FSMIS systems, plus many functions within OregonAccess and TRACS

4.2.2 Process for Developing More Detailed Requirements

The project team is developing a preliminary set of detailed business requirements leveraging some of the business requirements work that was done for the Initial Win and Oregon Benefits On-Line projects. To increase the likelihood of project success, DHS will also obtain and review Kentucky's requirements documents and then complete a list of Oregon requirements that aligns as closely as possible with the transfer components while still addressing Oregon's unique, mission-critical business needs. The preliminary requirements will be reviewed with subject matter experts including DHS field staff to ensure they are complete and correct.

Next, DHS will contract with a Systems Integrator to use the Oregon requirements to conduct a Fit-Gap Assessment of Kentucky's transfer components and write design specifications. This approach is intended to minimize the amount of technology change necessary to implement Oregon's enhancements in the ONE system. This work will be scheduled for after the February 2016 Legislative Session when DHS has legislative permission to move forward.

4.2.1.1 Conduct Gap Analysis of the Base System

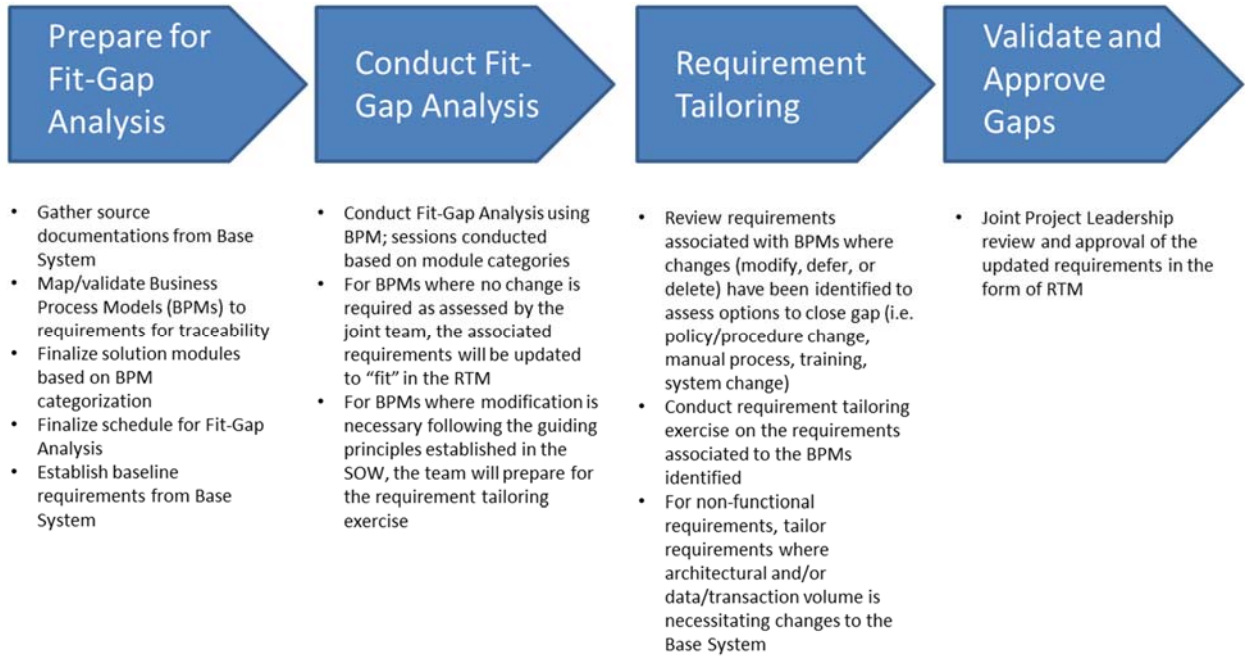
The objective of the Fit-Gap analysis is to review Oregon policy and procedures (either Non-MAGI Medicaid only, or including SNAP, TANF, and ERDC as well) against the Base System

and to identify how the Base System meets the respective functions out of the box. Gaps that cannot be resolved through a change of process or policy will be prioritized along with a defined approach to address them. This identifies the necessary software configurations and/or customizations required for the solution.

In conducting the gap analysis of the Base System relative to Oregon-specific program needs, the following guiding principles will be used to establish gaps:

- The Base System functionality and solution approach and how the Base system delivers the functionality will take precedence over desired functionality, as long as they are not inconsistent with State policies and program rules
- The State team will pursue policy changes, as opposed to system changes, whenever possible
- The solution architecture of the Base System will remain intact
- All identified gaps and prioritizations will be jointly reviewed by joint project leadership
- All non-configurable changes must be approved by joint project leadership

The following diagram describes the activities to be conducted during the Fit-Gap Analysis.



4.2.1.2 Prepare for fit-gap analysis

The objective of this activity is to collect artifacts from the Base System to be used as reference material to support the analysis. The artifacts from the Base System should include the following (not an exhaustive list):

- Requirements documentation
- Business Process Models
- Design artifacts (Functional/Technical)
- Software code
- Target system infrastructure diagrams

- Security infrastructure/components/policies
- Test cases
- Training materials
- Other solution documentation available

Prior to the start of the next step, the requirements from the Base System will be established in Microsoft TFS as the baseline requirements. Contractor will also validate the baseline requirements to the BPMs of the Base System for accuracy.

4.2.1.3 Fit –Gap Analysis

The objective of this activity is to conduct a detailed review and analysis of the Base System by leveraging the Business Process Models (BPMs) from the Base System. A joint team comprised of State and System Integrator resources will review the BPMs to identify and document instances where the Base System's processes are in conflict with Oregon's policy and/or procedures.

The joint team will review the documented BPM gaps and create an inventory through a prioritization exercise. The result of this prioritization will be reviewed on a regular basis by the joint Project Leadership.

Typically, gaps can be resolved in one of four ways:

- Modify the requirement to address the gap
- Modify the policy or process to address the gap
- Update the Base System to build the revised functionality through configuration/customization of the Base System to meet the requirement
- Use a Commercial off-the-shelf ("COTS ") solution to meet the requirement

For BPMs where no change is required, as assessed by the joint team, the associated requirements will be updated to "fit" in the RTM. For the BPMs where modification is necessary, the requirement will be marked as a "gap" in the RTM.

4.2.1.4 Tailor system requirements based on prioritized gaps

As gaps are prioritized during the fit-gap analysis period, meetings between the State and the System Integrator will be conducted to discuss and review the requirement changes needed from the Base System. To the extent possible, the joint team will seek to address gaps through a combination of policy/procedures changes, manual process, training consideration, and system modifications.

Policy/procedure changes captured during this exercise will be documented and managed by the State for implementation. System Integrator will document procedural, training expectations, and system modifications as considerations for implementation.

In order to document the disposition of each gap identified during the gap-analysis activity, the Contractor will update the Requirements Traceability Matrix ("RTM") to include each disposition at a requirement level:

- No Change – No change needed to the requirement in the Base System (a "fit")
- Added – A new requirement is identified to meet Oregon-specific business needs
- Modified – A modification is necessary to meet Oregon-specific business needs
- Deleted – A modification is necessary to remove/disable functionality that is inconsistent with Oregon business needs
- Deferred – A modification is necessary to disable functionality, based on Oregon's future needs

4.2.1.5 Validate fits and gaps and submit for approval

Review the Requirements Traceability Matrix with appropriate stakeholders for consistency, applicability, and approval.

4.3 Alternatives Identification

In 2014, DHS, in consultation with the Office of the State CIO and the Legislative Fiscal Office, concluded that from-scratch, custom development of a Non-MAGI Medicaid eligibility system was too costly and too risky compared to an approach that relied on transferring a system already in successful operation in another state. The CMS policy to fund only a single financial eligibility system per state and the fact that Medicaid Title XIX will provide 90 percent of the funds needed for the system further constrains the alternatives available to DHS.

Consequently, Oregon's only viable alternative to the status quo must include enhancement of the ONE system to support Non-MAGI Medicaid eligibility determinations. DHS has explored four possible courses of action, including continuing in the current state. These are the alternatives:

<u>Alternative #1: Implement Non-MAGI Medicaid Eligibility Determination into the ONE System</u>
Under this alternative, the ONE system would be extended to support Non-MAGI Medicaid eligibility determinations and service authorization to community-based care programs only. This approach limits the scope of DHS programs that would be affected. It requires transfer of the Kentucky system, removal or disabling of the functionality in that system supporting programs like SNAP and TANF, and customization for Oregon's Non-MAGI Medicaid program. Use opportunity for 90/10/federal funding to improve IT system.

<u>Alternative #2: Implement Integrated Eligibility Determination into the ONE System</u>
Under this alternative, the ONE system would be extended to support Non-MAGI Medicaid eligibility determinations and SNAP, TANF, and ERDC determinations, as well as service authorizations for community-based care programs. This approach involves a wider range of DHS programs. It avoids the risk and expense of removing functionality for these programs from the Kentucky system. It requires potential customization for a larger number of Oregon programs. This alternative could be rolled out all at once or it could be phased-in program-by-program. Use Medicaid 90/10 federal funding to the benefit of other programs.

<u>Alternative #3: Acquire External Eligibility Determination Services from another State</u>
Just like Alternative #1, this alternative would extend ONE to support Non-MAGI Medicaid eligibility determinations only. Like Alternative #2, it would support eligibility determinations for the SNAP, TANF, and ERDC programs. However unlike Alternative #2, that support would be outside of ONE. In this alternative, DHS would contract with another state to support SNAP,

TANF, and ERDC eligibility decisions. At a minimum, that would involve modifying the partner state's system for those programs to accept applications from Oregonians and make eligibility determinations based on Oregon's rules. Limiting factors include lack of integration of Non-MAGI Medicaid program eligibility with MAGI program eligibility and recording of Oregon-specific MAGI, CHIP, and CAWEM rules. The project team was unable to identify a state where this approach is being used. Therefore, cost estimates for this alternative were unattainable.

Alternative #4: Do Nothing
Under this alternative, there would be no additional investment in the ONE system and no acquisition of eligibility services from another state. Improvements to current processes would be limited to those that arise naturally through the DHS's continuous improvement program. This alternative means losing the opportunity for enhanced federal funding to improve IT systems and thus results in greater cost in state funding for future enhancements.

4.4 Alternatives Analysis

4.4.1 Alternative #1 – Implement Non-MAGI Medicaid Eligibility Determination & Service Authorization Only

Cost

We estimate the total cost of implementing this alternative and operating it through June 2019 at $80.3 million. (See the details behind this estimate in Appendix A.) Compared to the Integrated Eligibility alternative, this alternative will minimize the overall costs of Fit-Gap analysis, design, configuration, customization, testing, and training by limiting scope for all components other than Non-MAGI Medicaid. That savings will be reduced somewhat by the cost of removing or disabling SNAP, TANF, and similar components in the Kentucky system.

Benefits

This alternative will achieve the high-level requirements associated with the Medicaid program. Clients seeking Non-MAGI Medicaid eligibility will be able to apply on-line and they will receive faster eligibility determinations. Non-MAGI Medicaid eligibility workers in APD and AAA offices will be more productive and make fewer eligibility determination errors. Problems associated with the handoff of cases between OHA and DHS will be reduced, if not eliminated. This alternative avoids the $2 million annual cost of maintaining the 25 additional Non-MAGI Medicaid eligibility workers who will be required over the next four years because of a growing caseload.

Risk

This alternative has the risks associated with large information technology projects involving complex requirements and a lengthy schedule. This alternative will impose substantial policy and procedure changes on Non-MAGI Medicaid eligibility workers. The need to remove substantial components from an existing application adds some technical risk that is not present in the other alternatives. DHS workers will need to use two or more systems to provide some clients with basic case management. Data conversion by splitting legacy cases (APD cases from SNAP/TANF cases) will be risky.

4.4.2 Alternative #2 – Implement Integrated Eligibility Determination

Cost

We estimate the total cost of implementing this alternative and operating it through June 2019 at $126.1 million. (See Appendix A for details.) This alternative incurs the full cost of Fit-Gap analysis, design, configuration, customization, testing, and training for the SNAP, TANF, and ERDC programs in addition to Non-MAGI Medicaid.

Benefits

This alternative will achieve all of the high-level requirements. Clients seeking Non-MAGI Medicaid eligibility and clients seeking SNAP, TANF, and ERDC eligibility will be able to apply on-line and they will receive faster eligibility determinations. Clients applying for medical assistance and for one or more of SNAP, TANF, and ERDC will make a single application. Eligibility workers in APD and AAA offices will be more productive and make fewer eligibility determination errors in both the Medicaid and SNAP programs. Workers in SSP offices may be more productive and will make fewer eligibility determination errors in the SNAP, TANF, and ERDC programs. Problems associated with the handoff of cases between OHA and DHS will be reduced, as will problems associated with handoffs between APD/AAA offices and SSP offices. This alternative avoids the $2 million annual cost of maintaining the 25 additional Non-MAGI Medicaid eligibility workers who will be required over the next four years because of a growing caseload. This alternative is expected to result in more than $25 million per year in savings from reduced errors in the SNAP, TANF, and ERDC programs.

Consolidating financial eligibility information for all programs in a single system will better support cross-program case coordination and service eligibility determinations. Consequently, subsequent needs assessments, service authorizations, and provider payments will be facilitated in a more timely fashion.

This alternative allows for the retirement of several existing systems including Client Maintenance, Client Index, CAPI, and FSMIS. At this writing, estimates of savings from no longer having to support those systems are not available.

Risk

This alternative has the risks associated with large information technology projects involving complex requirements and a lengthy schedule. It involves a large number of stakeholders, some of whom are not on board and not, as of yet, engaged in the project. This alternative could impose substantial policy and procedure changes on Non-MAGI Medicaid eligibility workers in APD/AAA offices and on SNAP, TANF, and ERDC eligibility workers in SSP offices. By eliminating some old information systems and reducing the scope of others, this alternative reduces risks that system failures will interrupt the delivery of DHS programs.

4.4.3 Alternative #3 – Acquire Eligibility Determination Services from Another State

Cost

We found no state who was offering this service for eligibility systems. The only feasible alternative here would be to approach Kentucky, but with the change in leadership there, that

seems unlikely. Given limited information, the cost of this alternative is the most difficult to estimate during project initiation and we did not develop detailed estimate in Appendix A for this alternative.

Benefits

This alternative will achieve all of the high-level requirements. Clients seeking Non-MAGI Medicaid eligibility and clients seeking SNAP, TANF, and ERDC eligibility will be able to apply on-line and they will receive faster eligibility determinations. Clients who are applying for medical assistance and one or more of SNAP, TANF, and ERDC will have to make two applications containing overlapping data. Eligibility workers in APD and AAA offices will be more productive and make fewer eligibility determination errors in both the Medicaid and SNAP programs. Workers in SSP offices (or in the service-providing partner state) will be more productive and make fewer eligibility determination errors in the SNAP, TANF, and ERDC programs. If this alternative ends up including the performance of some eligibility work by the partner state's staff, then this alternative reduces the need for Oregon eligibility workers and will permit us to retrain some staff for appointments as case workers. Problems associated with the handoff of cases between OHA and DHS will be eliminated. Some problems associated with handoffs between APD/AAA offices and SSP offices will remain. Potential problems could arise with handoffs between Oregon staff and the staff in the processing state This alternative avoids the $2 million annual cost of maintaining the 25 additional Non-MAGI Medicaid eligibility workers who will be required over the next four years because of a growing caseload. This alternative is expected to result in more than $25 million per year in savings from reduced errors in the SNAP, TANF, and ERDC programs.

This alternative allows for the retirement of the CAPI system. Parts of the Client Maintenance, Client Index, and FSMIS systems would likely have to be kept in place. At this writing, estimates of savings from no longer having to support CAPI are not available.

Risk

This alternative has the risks associated with large information technology projects involving complex requirements and a lengthy schedule. This alternative will impose substantial policy and procedure changes on Non-MAGI Medicaid eligibility workers in APD/AAA offices and on SNAP, TANF, and ERDC eligibility workers in SSP offices. This alternative requires the establishment and successful maintenance of a relationship with the service-providing partner state and introduces some risk that this partnership could unravel in the future. If this alternative ends up including the performance of some eligibility work by the partner state's staff, it faces a potential challenge from the union representing those Oregon eligibility workers. This approach has technical risks associated with the development of interfaces to and from the partner state's systems. This alternative might create some new problems associated with handoffs between the service-providing partner state and DHS. Additionally, there is greater risk associated with data conversion to another organization's system and greater organizational change management compared to the training risk in Alternative #2.

4.4.4 Alternative #4 – Do Nothing

Cost

The Do Nothing alternative requires the addition of state staff to process the increasing eligibility caseloads without automation. A rough estimate of additional APD/AAA eligibility staff needs over the next four years, based upon projected caseload increases, is 25, costing the state approximately $2.0 million annually, or $4.0 million in the four-year planning window if the positions were phased in smoothly during that time.

There are potential CMS sanctions for not providing on-line capability for Non-MAGI Medicaid applicants, as there is an expectation that states provide this functionality for all Medicaid applicants, not just MAGI applicants. In addition, the state could face sanctions or penalties from the federal Food and Nutrition Services agency (FNS) if SNAP error rates continue to grow beyond the national average. Since the majority of states now have automated eligibility systems, their error rates are dropping where Oregon's error rate is staying the same, or in some areas, growing.

Benefits

Business process and policy changes for staff are limited to new or emerging policy changes.

Risk

This alternative is not sustainable in the long run in the face of increasing case loads and technological risks.

Automating eligibility determinations and providing an applicant portal for Non-MAGI Medicaid clients are expectations set by CMS and failure to provide those things will jeopardize the relationship DHS has with CMS.

DHS systems would continue to operate under an antiquated, siloed business model, lacking the agility and infrastructure to support the current DHS growth trajectory. Two primary legacy systems Family Service Management Information System (FSMIS) and Client Maintenance System (CMS) and over 35 additional subsystems are used to provide, track and maintain client/caseworker interaction information for SNAP, TANF, ERDC and Non-MAGI Medicaid benefits. These systems have over 100 interfaces to other systems within DHS and OHA and with other external entities. Current ACA regulations and federal IT funding policies require a level of interoperability and integration across medical benefits and human services programs that the existing DHS legacy systems simply cannot support.

4.5 Cost Comparison

The following table summarizes the cost information from the preceding section.

Table 1. Cost Summary

Alternative	Cost
1. Implement Non-MAGI Medicaid Eligibility Determination	~$80.3M

2. Implement Integrated Eligibility Determination	~$126.1M
3. Acquire Eligibility Determination Services	Unknown
4. Do Nothing	~$4.0M

4.6 Benefits Comparison

The following table summarizes the benefits information from the preceding section:

Table 2. Benefits Summary

	#1. Implement Non-MAGI Medicaid Eligibility Determiniation	**#2. Implement Integrated Eligibility Determination**	**#3. Acquire Eligibility Determination Services**	**#4. Do Nothing**
Apply for Benefits On-Line	Non-MAGI Medicaid only	Non-MAGI Medicaid, SNAP, TANF, ERDC	Non-MAGI Medicaid, SNAP, TANF, ERDC	Limited for Non-MAGI Medicaid, Yes for SNAP, limited for TANF & ERDC
Improve Productivity	APD/AAA Offices	APD/AAA Offices SSP Offices	APD/AAA Offices SSP Offices	No
Reduce Errors	Non-MAGI Medicaid only	Non-MAGI Medicaid, SNAP, TANF, ERDC	Non-MAGI Medicaid, SNAP, TANF, ERDC	No
Decommission Systems	None	CM, CI, CAPI, FSMIS	CAPI	None
Support for DHS Strategic Technology Plan	Moderate	High	Moderate	No

4.7 Risk Comparison

(Please see this project's Initial Risk Assessment document for a more detailed description of the principal risks facing the projects.)

Risk Area	**Alternative #1: Implement Non-MAGI Medicaid**	**Alternative #2: Integrated Eligibility**	**Alternative #3: Acquire Eligibility Services**	**Alternative #4: Do Nothing**
Technology Risk	L-M	M	H	M
Policy Risk	L	M	H	L
Operational Risk	L-M	L	H	H
People Risk	M	L	H	L
Overall Project Risk	Low	Medium	High	High

Each of the active alternatives has the risks associated with large information technology projects involving complex requirements and a lengthy schedule. Among those alternatives, The Implement Non-MAGI Medicaid Eligibility Determinations option (Alternative #1) is the least risky because it has a smaller scope and it has a narrower collection of stakeholders who are more ready to undertake the project. The need to remove substantial components from an existing application does add some technical risk to Alternative #1 that is not present in the others.

Alternatives #2 (Implement Integrated Eligibility Determinations) and #3 (Acquire Eligibility Determination Services) are larger projects and thus inherently more risky than Alternative #1. They require cooperation from Self Sufficiency Program stakeholders who will be less "on board," at least initially.

Alternative #3 is the riskiest of all. Compared to Alternative #2, it has Alternative #1's technical risk from having to remove components from the Kentucky solution. It has additional technical risks because additional system interfaces must be developed with the provider state's systems. It involves additional procurement activities and the development and maintenance of a strong relationship with an additional state partner. In our research we were unable to find an example of where this is currently occurring, increasing the risk of failure.

5 Conclusions and Recommendations

5.1 Conclusions

All three active alternatives would seize the opportunity described in Section 3 above. All will fulfill the objectives listed in Section 2.6 for the non-MAGI part of the Medicaid program. Two of the alternatives will achieve those objectives for SNAP, TANF, and ERDC too.

Table 2. Cost, Benefits, and Risks Summary

Alternative	Project Cost	Program Benefits from Project	Overall Risk
1. Implement Non-MAGI Medicaid Eligibility Determinations	~$80.3M	Medicaid	Low
2. Implement Integrated Eligibility Determinations	~$126.1M	Medicaid, SNAP, TANF, ERDC	Medium
3. Acquire Eligibility Determination Services from Another State	Unknown	Medicaid, SNAP, TANF, ERDC	High
4. Do nothing	~$4.0M		High

5.2 Recommended Action and Schedule

The project team recommends pursuing Alternative #2, Implement Integrated Eligibility Determination. The DHS executive leadership team concurs. This means extending the ONE

system by transferring, configuring, and customizing Kentucky's Non-MAGI Medicaid, SNAP, TANF, and ERDC eligibility system to Oregon.

The recommended approach is less risky and somewhat less costly than Alternative #3, Acquire Eligibility Services, and it provides similar or greater benefits.

Compared to the more limited Implement Non-MAGI Medicaid Eligibility Determinations option (Alternative #1), the recommended alternative comes with more benefits, higher costs, and more risk. The recommended approach takes the best possible advantage of federal cost sharing. In the judgment of DHS executives, the higher benefits are commensurate with the higher risk and costs.

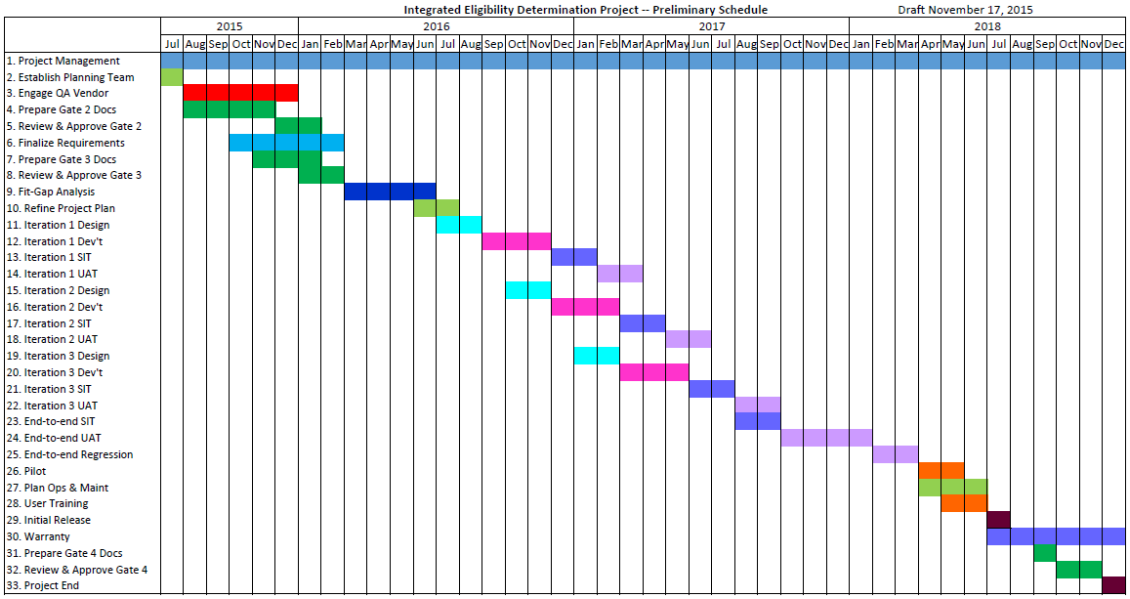
The recommended alternative also aligns well with the DHS|OHA Strategic Technology Plan. Including the SNAP, TANF, and ERDC programs in this project's scope makes the most progress in pursuit of strategy that calls for automating workflows, decision-making, and business rules while reducing manual, paper-based processes. It moves the State farther toward a "one stop shop" goal, and it most advances the goal of assembling a comprehensive view of clients.

In the 2015 session, DHS received legislative approval for project initiation and planning. In September of 2015, it received CMS approval for cost sharing in FFY 2016. DHS plans to seek approval from the state CIO and the Legislative Fiscal Office to move from the initiation phase to the planning phase (Stage Gate 2) in November 2015. It plans to seek approval to move from the planning phase to the execution phase (Stage Gate 3) in February 2016 and legislative approval of state funds for project execution in state FY 2017 during the February 2016 session.

Because all of the active alternatives include transfer of the Kentucky solution for Non-MAGI Medicaid eligibility, plans call for engaging a systems integrator for a Fit-Gap analysis as quickly as project execution is approved. A high-level project schedule is shown in the table below. If Alternative #1 is selected, its smaller scope might allow the design, development, and testing part of the project to be somewhat shorter than is depicted here. If Alternative #3 is selected, additional parallel tasks for engaging and working with another state partner must be added to this schedule.

Table 3. Tentative Project Schedule

The following chart lays out a preliminary schedule for the project. A more detailed project schedule will be prepared during the project planning phase and the project schedule will require re-baselining after the Fit/Gap Analysis. The chart is duplicated in Appendix B, where it is more legible.



5.3 Consequences of Failure to Act

Given the current degree of manual processing and the projected growth in caseload, failure to act will result in delays in eligibility determinations, delays in access and payment for services, continuing and growing customer and provider discontent, and potential lawsuits. An increase in the number of workers throughout the state will be required to complete the manual eligibility assessment and determination procedures and make the system coding entries that are needed to support service authorizations and payments.

CMS expects Oregon to implement a Non-MAGI Medicaid eligibility system and has extended 90/10 funding for eligibility system development for a limited time, through December 2018. Failure to act now could result in a funding match decrease to a 50/50 rate for the eventual implementation of a Non-MAGI Medicaid solution, costing the State of Oregon considerably more in general funds.

Alternative #2 has the additional benefit of supporting the eligibility determination needs of the SNAP, TANF, and ERDC programs with a system paid for primarily with federal Medicaid funds under the A-87 exemption that also runs through 2018 only.

Failure to act on this opportunity means that the eventual satisfaction of the needs of those programs will come at higher state expense and, for the TANF program, the use of federal funds for an eligibility system will come directly out funds that would otherwise be available for benefits to clients.

That is illustrated in the following table.

Note: The following is for illustration purposes only. DHS has not made a careful effort to estimate the cost of a separate, later project to support SNAP, TANF, and ERDC eligibility determinations or finalized the % associated with each program's contribution to the cost allocation methodology for Integrated Eligibility.

(Dollars in $Millions)

Approach	Cost	Project Cost Allocation					Total Federal Cost	Total State Cost
		CMS 90/10	FNS 50/50	ACF 0/100	Weighted Federal Share	Weighted State Share		
Non-MAGI Medicaid Eligibility Only	~$80.3M	100%	0%	0%	90%	10%	~$72.27M	~$8.03M
Integrated Eligibility	~$126.1M	~85%	~9%	~6%	~81%	~19%	~$102.14M	~$23.96M
Non-MAGI Medicaid followed by	~80.3M	100%	0%	0%	90%	10%	~$94.77M	~$60.53M
Later SNAP, TANF, ERDC	~$75.0M	0%	~60%	~40%	~30%	~70%		

6 Complete Case Checklist

6.1 Checklist for the Completed Case

☒ Has the case clearly defined what the case is about, the purpose for the proposed solution, what business problems the proposed solution attempts to solve, and the scope of the proposal?

☒ Has the cash flow, the flow expenditures, and the intake of financial benefits been presented over a common time period for the case, for each alternative action considered (including the "status quo"/current state alternative).

☒ Are the assumptions and methods for assessing the proposal's impacts clearly defined, understandable, and acceptable? Do not forget risk impacts!

☒ Does the business case include the non-financial costs and benefits?

☒ Are the factors critical to the success of the proposal clearly defined?

☒ Are there critical success factors that can be managed? Is there a risk analysis that identifies and measures the relevant risks to the proposal?

☒ Are recommendations and conclusions based on a clear comparison of alternatives in terms of contributions to business objectives, problems solved, financial outcomes, and risks?

☒ Does the case clearly identify the estimated timeframes, costs, and implementation strategy required to successfully deliver the recommended solution?

☒ Does the case clearly express to consequences of failure to act on the recommended alternative?

7 Appendixes and References

Two appendixes follow.

Appendix A contains the cost detail for Alternative #1 and Alternative #2 described in Sections 4 and 5 of this document.

Appendix B contains a full page version of the chart found in Section 5.2.

7.1 Appendix A – Cost Worksheets

7.1.1 Cost Worksheet for Alternative #1

PROPOSAL CASH FLOW

$ in 1000s

Discount rate 0.0%

$ in 1000s	Year ending… Jun 30 2016	Jun 30 2017	Jun 30 2018	Jun 30 2019	TOTAL
BENEFITS / GAINS					
Avoid staff growth				2000.0	2000.0
Benefit item 3……					0.0
Benefit item 4……					0.0
Total Benefits/Gains	0.0	0.0	0.0	2000.0	2000.0
COST ITEMS inflows (outflows)					
Personal Services Costs (Salaries & Benefits)					
State Perm Staff……	(350.7)	(937.3)	(937.3)	(937.3)	(3162.7)
State Temp Staff……	(350.7)	(937.3)	(937.3)	(468.7)	(2694.1)
State LD Staff……	(1052.1)	(2812.0)	(2812.0)	(1406.0)	(8082.2)
Services & Supplies/Capital Outlay Costs					
State Data Center Costs					
Consulting Services……		(120.0)	(120.0)	(60.0)	(300.0)
Hosting……		(120.0)	(120.0)	(120.0)	(360.0)
Storage……					0.0
Network……					0.0
Software Costs					
SW Purchase/Upgrade……		(2500.0)			(2500.0)
SW License Maintenance……			(500.0)	(500.0)	(1000.0)
Hardware Costs					
Hardware Purchase/Upgrade……					0.0
Hardware Ongoing Maint……					0.0
IT Professional Services					
System Integrator	(4636.4)	(18545.5)	(18545.5)	(11590.9)	(53318.2)
QA Vendor	(185.5)	(741.8)	(741.8)	(463.6)	(2132.7)
Staff Augmentation		(195.0)	(780.0)	(390.0)	(1365.0)
Operational Staff……					0.0
Operational Augmentation……					0.0
Contingency	(324.5)	(1298.2)	(1298.2)	(811.4)	(3732.3)
Other……	(199.0)	(516.0)	(516.0)	(416.0)	(1647.0)
Total Costs	(7098.9)	(28723.1)	(27308.1)	(17163.9)	(80294.1)
CASH FLOW SUMMARY inflows (outflows)					
Cash inflows (outflows)					
Benefits and Gains……	0.0	0.0	0.0	2000.0	2000.0
Costs……	(7098.9)	(28723.1)	(27308.1)	(17163.9)	(80294.1)
NET CASH FLOW	**(7098.9)**	**(28723.1)**	**(27308.1)**	**(15163.9)**	**(78294.1)**
Cumulative Net CF……	(7098.9)	(35822.0)	(63130.2)	(78294.1)	(78294.1)

7.1.2 Cost Worksheet for Alternative #2

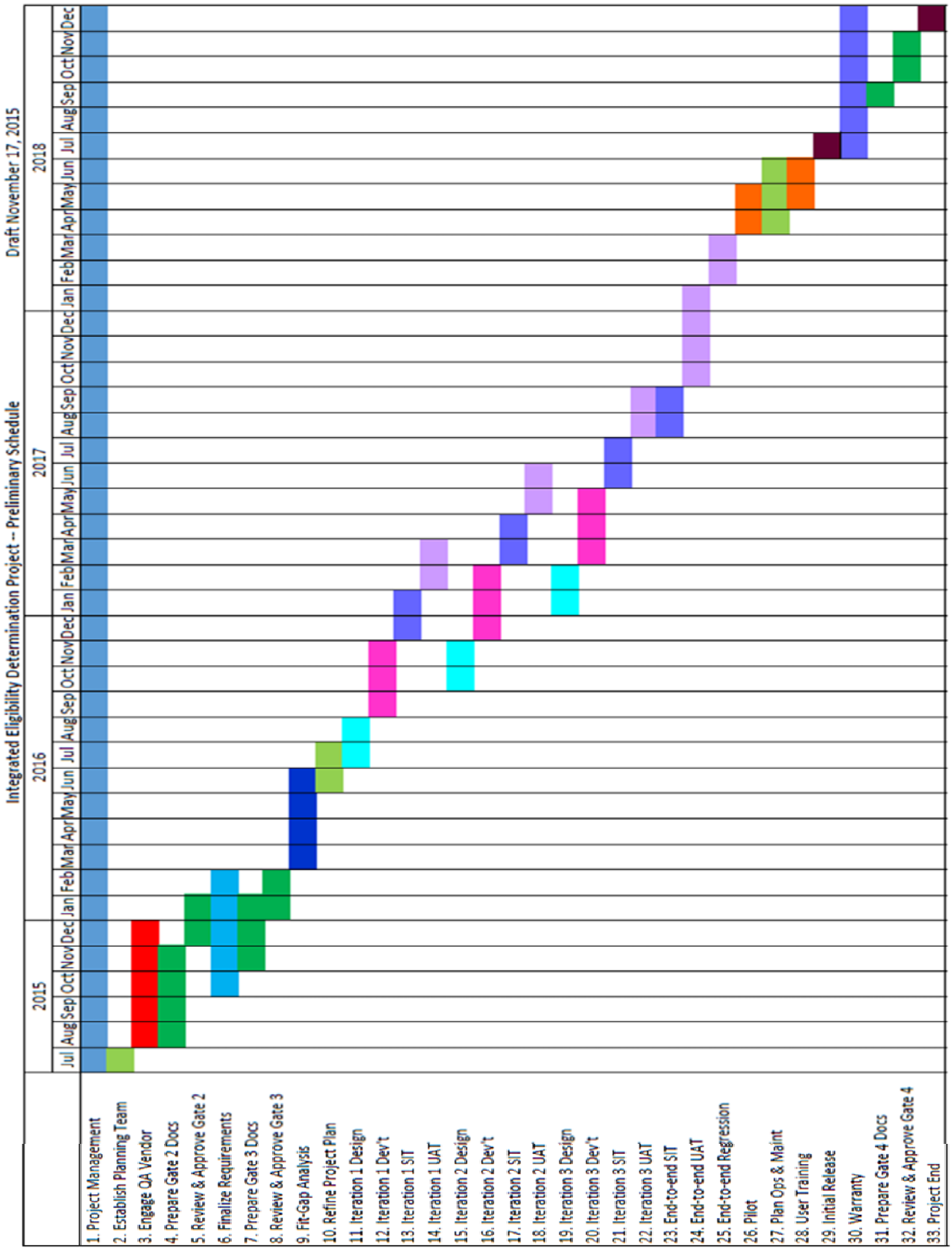
ALTERNATIVE PROPOSAL CASH FLOW

$ in 1000s

Discount rate 0.0%

$ in 1000s	Year ending… Jun 30 2016	Jun 30 2017	Jun 30 2018	Jun 30 2019	TOTAL
BENEFITS / GAINS					
Avoid staff growth				2000.0	2000.0
SNAP payment accuracy				15570.0	15570.0
TANF payment accuracy				6720.0	6720.0
ERDC payment accuracy				3180.0	3180.0
M&O of decomissioned systems					
Total Benefits/Gains	0.0	0.0	0.0	27470.0	27470.0
COST ITEMS inflows (outflows)					
Personal Services Costs (Salaries & Benefits)					
State Perm Staff……	(427.1)	(1216.5)	(1216.5)	(1216.5)	(4076.6)
State Temp Staff……	(427.1)	(1216.5)	(1216.5)	(608.2)	(3468.3)
State LD Staff……	(1281.3)	(3649.5)	(3649.5)	(1824.7)	(10405.0)
Services & Supplies/Capital Outlay Costs					
State Data Center Costs					
Consulting Services……		(180.0)	(180.0)	(90.0)	(450.0)
Hosting……		(180.0)	(180.0)	(180.0)	(540.0)
Storage……					0.0
Network……					0.0
Software Costs					
SW Purchase/Upgrade……		(2500.0)			(2500.0)
SW License Maintenance……			(500.0)	(500.0)	(1000.0)
Hardware Costs					
Hardware Purchase/Upgrade……					0.0
Hardware Ongoing Maint……					0.0
IT Professional Services					
System Integrator	(7727.3)	(30909.1)	(30909.1)	(19318.2)	(88863.6)
QA Vendor	(309.1)	(1236.4)	(1236.4)	(772.7)	(3554.5)
Staff Augmentation		(1200.0)	(1200.0)	(600.0)	(3000.0)
Operational Staff……					0.0
Operational Augmentation……					
Contingency	(540.9)	(2163.6)	(2163.6)	(1352.3)	(6220.5)
Other……	(249.0)	(636.0)	(636.0)	(491.0)	(2012.0)
Total Costs	(10961.8)	(45087.6)	(43087.6)	(26953.7)	(126090.6)
CASH FLOW SUMMARY inflows (outflows)					
Cash inflows (outflows)					
Benefits and Gains……	0.0	0.0	0.0	27470.0	27470.0
Costs……	(10961.8)	(45087.6)	(43087.6)	(26953.7)	(126090.6)
NET CASH FLOW	**(10961.8)**	**(45087.6)**	**(43087.6)**	**516.3**	**(98620.6)**
Cumulative Net CF……	(10961.8)	(56049.3)	(99136.9)	(98620.6)	(98620.6)

7.2 Appendix B – Tentative Project Schedule



As of the printing of the Oregon Health Authority Agency Request Budget document, there are no major Facilities Projects planned. However as the agency moves through the budget and legislative process, projects may arise within this area. At that time a project report will be filed.

Oregon Health Authority
Staffing Ratio Report

OHA's mission given to us by the Governor, the Legislature and agency leadership is that we must ensure the agency can support a health care system that is patient-centered, coordinated and reduces waste and inefficiency.

OHA continues to approach this in a way that balances the intent of House Bill 3165 (which was previously reported under the requirements of HB 4131,) the ongoing changes to the health delivery system and how OHA can support these changes long term. As of February 1, 2016 OHA has met our target of 1:11 and we will continue to monitor our ratios to ensure on-going compliance.