# Oregon Health Authority
# 2015 - 2017 Rebalance

Presented to the
Human Services Legislative Subcommittee on
Ways and Means
January 14, 2016

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# 2015 – 2017 Rebalance Update

| | G/F | T/F |
|---|---|---|
| Total Challenges | $ 127.0 M | $ 1,095.7 M |
| Total Savings & Mgmt Act. | <$ 89.4 M> | <$ 27.4 M> |
| OHA NET change for 15-17 | $ 37.6 M | $ 1,068.3 M |

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# 2015 – 2017 Rebalance Continued:

| Challenges | G/F | T/F |
|---|---|---|
| Spring Caseload increase | $ 84.4M | $ 991.9M |
| Medicare Clawback | $ 10.7M | $ 10.7M |
| FQHCs move to APM | $ 3.1M | $ 12.5M |
| Medicare Part B premiums | $ 7.2M | $ 21.2M |
| ONE System Implementation | $ 21.0M | $ 57.9M |
| PH New/supplemental grants | $ .0 | $ 1.1M |
| Tech. adj. and Assessment Costs | $ 0.6M | $ 0.4M |
| TOTAL: | $ 127.0M | $ 1,095.7M |

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# 2015 – 2017 Rebalance Continued:

| Savings | G/F | T/F |
|---|---|---|
| FMAP Rate change | <$ 10.2M> | $ 0.0 |
| Tobacco Tax Forecast | <$ 11.8M> | $ 0.0 |
| Drug Rebates/Settlements | <$ 15.0M> | $ 0.0 |
| GEI Caseload | <$ 1.4M> | <$ 1.4M> |
| Debt Service | <$ 1.0M> | <$ 1.0M> |
| 13-15 OF Carryover | <$ 25.0M> | $ 0.0 |
| Mgmt actions | <$ 25.0M> | <$ 25.0M> |
| TOTAL SAVINGS: | <$ 89.4M> | <$ 27.4M> |
| NET OHA CHANGE | $ 37.6M | $ 1,068.3M |

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# Oregon Health Authority Caseload Update

Oregon Health Plan (OHP) Fall 2015 shows changes and shifts in caseload.

The rebalance projects $84.4M GF costs, $991.9M TF costs.

- ✓ ACA Adult category increased by 14.8% (increase of 54,594)
- ✓ Parent/Caretaker relatives (TANF), increased by 19.0% (increase of 9,244)
- ✓ Children's Medicaid Program increased by 9.5% (increase of 30,069)
- ✓ Overall Caseload increase of 10.6% (increase of 108,297)

Relatively small decreases in Aid to Blind and Disabled & Children Health Insurance Program yield significant off-sets of $98.9M TF, (decrease of 6,066)

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# ISOLATION OF COST CHANGES IN OHP CASELOAD

## Spring 2015 Compared to Fall 2015 (2015-2017 averages)

| Eligibility Category | 15-17 Caseload at LAB | 15-17 Caseload at Rebalance | Difference Problem/ (Savings) | % of Change | Biennial TF Change Problem/ (Savings) in Millions |
|---|---|---|---|---|---|
| Affordable Care Act (ACA) | 369,084 | 423,678 | 54,594 | 14.8% | $783.7 |
| Parent/Caretaker Relative | 48,607 | 57,850 | 9,244 | 19.0% | $130.7 |
| Pregnant Women | 15,431 | 15,612 | 181 | 1.2% | $5.8 |
| Children's Medicaid Program | 316,500 | 346,569 | 30,069 | 9.5% | $151.5 |
| Aid to Blind and Disabled | 84,192 | 81,558 | (2,634) | -3.1% | ($85.1) |
| Old Age Assistance | 41,969 | 42,009 | 39 | 0.1% | $0.5 |
| Foster/Adoption/BCCP | 19,221 | 19,964 | 744 | 3.9% | $8.3 |
| Children's Health Insurance Program | 66,063 | 62,631 | (3,432) | -5.2% | ($13.8) |
| Non-OHP (CAWEM,QMB, OSIP) | 60,369 | 79,774 | 19,406 | 32.1% | $7.6 |
| CAWEM Prenatal | 2,180 | 2,266 | 86 | 4.0% | $2.5 |
| Total | 1,023,615 | 1,131,911 | 108,297 | 10.6% | $991.9 |
| Total General Fund Impact: | | | | | $84.4 |

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# OHP Caseload Issues

- ✓ Charted new territory going into ACA
- ✓ Post-start up efforts to respond to failed system has fragmented data between systems
- ✓ Delay of closures, and delays in full redetermination processes
- ✓ Commitment and expectation that OHA continue to provide people with access to health care
- ✓ Loss of historical data patterns that are standard practice to forecast caseloads

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# ONE System Implementation

- ✓ Functional Modified Adjusted Gross Income (MAGI) Medicaid Eligibility System (Kynect)- brought to Oregon
- ✓ Worker Portal implemented December 15th- Applicant Portal expected to be implemented by February
- ✓ Development costs primarily covered by Federal Funds (CMS)
- ✓ Implementation costs not covered in OHA base budget include
  - Increased costs for the state Enterprise Technology System (ETS)
  - ORACLE system stabilization required by litigation

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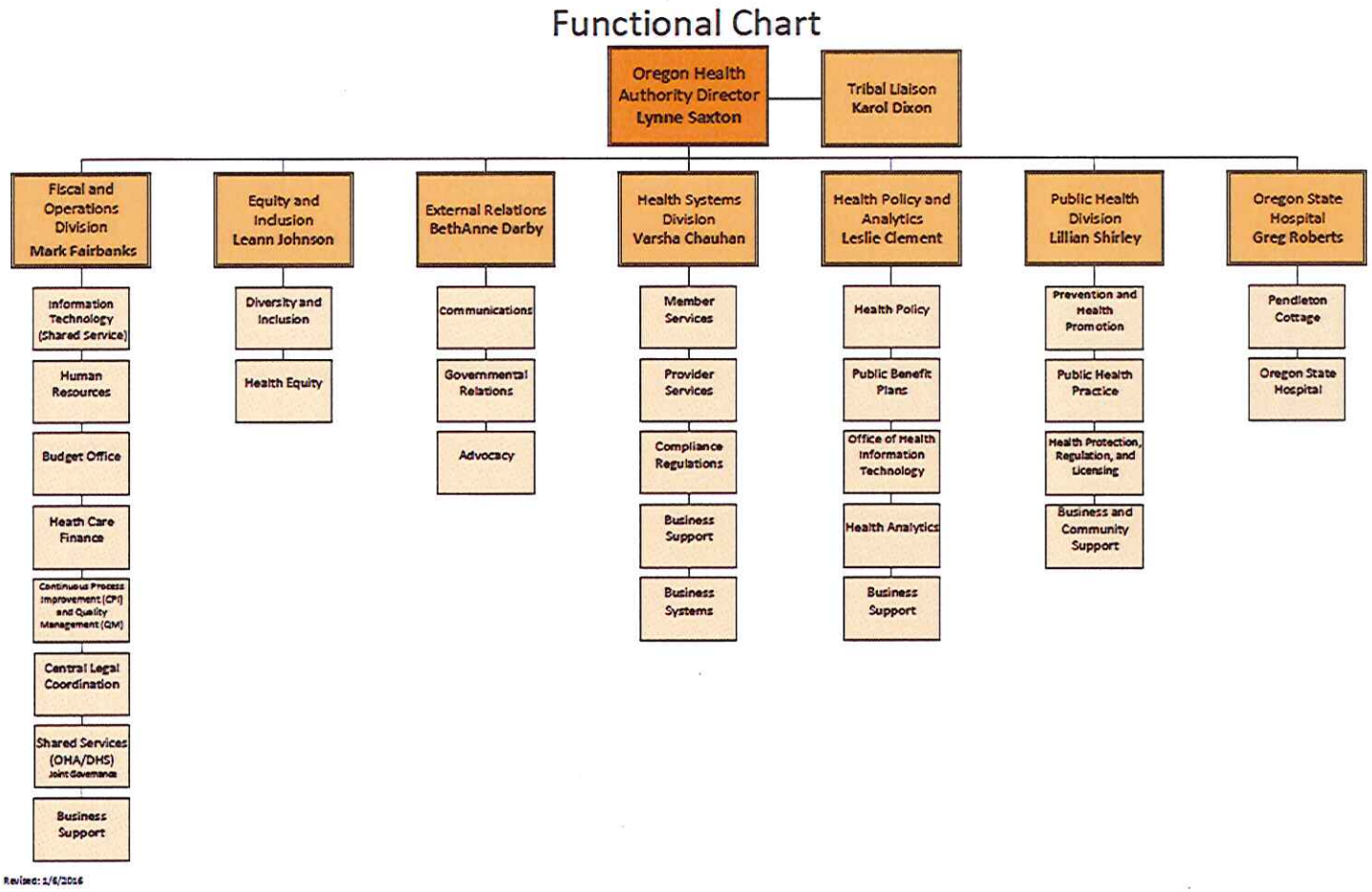
# OHA Restructure for 2015 – 2017

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# Agency Restructure and Position Alignment

- ✓ Legislative interest in further integration of programs/services
- ✓ Based on functional assessments, prioritization of on-going work, and existing staff
- ✓ Determination of long-term double fills needing resolution
- ✓ Determination of limited duration staff (without positions) for which on-going work identified and needing resolution

**Results:**

- ✓ Eliminated/repurposed 31 management positions
- ✓ Creates 48 positions for long term double fills
- ✓ Creates 48 positions for long term limited duration staff
- ✓ Repurposes/realigns many positions for proper classifications
- ✓ **Net: Agency restructuring results in reduction of 2 positions**

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# OHA Overall Budget Challenges/Risks

**CASELOADS**

- ✓ Redetermining and normalizing entire OHP caseload/categories during 2016

**LITIGATION**

- ✓ On-going efforts with the Oracle lawsuits

**PRESCRIPTION DRUGS**

- ✓ Breakthrough therapies are extremely expensive, and trends for all prescription drug costs are escalating

**OREGON STATE HOSPITAL**

- ✓ Aid & Assist Population rising- additional ward now necessary
- ✓ Overtime & staffing absence– develop action plan from consultants study

**PUBLIC HEALTH**

- ✓ Implementation of HB 3400 recreational Marijuana- going forward
- ✓ Public Health Modernization/implementing HB 3100

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# Questions?

# Thank you.