

**Governor's 2011-2013
Balanced Budget Summary
Oregon Health Authority
February 4, 2011**

For all state services, the Governor's Balanced Budget prioritizes programs that focus on prevention, use evidence- or outcome-based research and encourage more strategic community connections to align the efforts of state and local government with local business, non-profits, faith-based and volunteer networks.

Here are some items to note with the OHA budget.

This budget reflects approximately \$697 million General Fund (GF) reductions and \$1.2 billion Federal Funds for health programs and long-term care. This gap is due to rising caseloads and the loss of federal stimulus dollars that helped protect the Oregon Health Plan/Medicaid through the first few years of the recession.

In order to balance the OHA budget, the Governor proposes the following for the Oregon Health Plan.

It is important to note that no one will be cut from the Oregon Health Plan under the Governor's proposal. Reductions are made in other ways, including:

1. Reduce administrative costs, increase electronic records, and other continuous improvements;
2. Implement more restrictions on the preferred drug list and some co-payments for Oregon Health Plan;
3. Eliminate 38 services from the Oregon Health Plan prioritized list of services;
4. Reduce rates by 19 percent that doctors, hospitals, community facilities and others receive for treating Medicaid/OHP clients;
5. Restructure the health care delivery system to be more integrated with long-term care, mental health care and other services to reduce waste, increase quality of care, and focus on early interventions and preventions at the local level.

The Oregon Health Authority has convened a Transformation Team that will present in April a plan and budget to the Governor to improve quality and reduce costs for OHP, mental health, long-term care and other clients in the health care system. The Governor will incorporate those savings into the second year of his budget to avoid even deeper reductions to OHP.

For more information on the Oregon Health Authority budget, go to the [OHA budget website](#). (Please note: Monetary details about long-term-care services are located in the [DHS budget](#).)

In addition, due to the seriousness of the state budget situation, the GBB includes the following reductions:

- Reduce administrative costs for OHA and community service providers.
- **OSH:** Reduce the Oregon State Hospital budget by approximately 10 percent. This does not include construction costs for Salem or Junction City campuses.
- **AMH:** Reduce in-home services and focus on ensuring best community treatments for people with mental illness.
- **Public Health:** Reduce GF support to state Immunization Program and Seniors Farm Direct Nutrition Program. The governor has also proposed moving WIC to the Early Learning Council.

More information on each reduction can be found at the the [OHA budget website](#).