



OREGON HOUSE REPUBLICAN OFFICE

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House Republicans announce plan to release one-year OHA budget

Plan provides two-year framework but holds off full funding awaiting better data from the agency

Salem, Ore. — Republican members of the Oregon Legislature's House Healthcare Committee today announced they will release a one-year budget plan to ensure that the Oregon Health Authority (OHA), the administrator of the state's Medicaid program, can fully operate in the first year of the 2017-19 biennium. The plan addresses concerns brought about by the Secretary of State's recent Medicaid eligibility audits and OHA agency's testimony that data for redetermining benefits for as many as 85,000 people who utilize the Oregon Health Plan won't be available until August 31, 2017. The one-year plan gives all legislators the opportunity to have the information needed to make a fully-informed vote on the OHA budget.

"The timing of when OHA's true budgetary needs become known and when we must vote on an operating budget are not aligned," said Representative Cedric Hayden (R-Cottage Grove). "In good conscience, we shouldn't vote for a hefty tax package when we won't know for several months the actual budgetary needs of the agency. When the agency finishes its Medicaid eligibility redeterminations in August and the Secretary of State concludes the Medicaid audit in November, we'll have a clearer picture of how much money it will take to ensure our most vulnerable citizens have access to Medicaid."

The Republican plan includes enough additional funding to fund OHA at present current service levels, including the Medicaid expansion population, while also creating an additional carve out for mental health dollars. The proposal also requires the legislature to finish funding the OHA budget in the 2018 short session after the Medicaid redetermination work is completed.

"It is vitally important that we continue coverage for the roughly 1 million vulnerable Oregonians who depend on Medicaid - including the over 400,000 who were included in the expansion," said Representative Knute Buehler (R-Bend). "Our proposal ensures Oregonians can keep their health care, while minimizing additional taxes that could drive up future health care costs."

The one-year budget would be fully funded through a combination of existing unallocated funds including the remaining balances in the Health Insurance Exchange Fund, along with a rate change in the existing hospital provider assessment. Smaller hospitals will be included in the provider assessment, but will have funds front-loaded by OHA to help offset the impact in rural communities. Additionally, the plan calls for a small bump in the cigarette tax. A nominal tax on e-cigarettes will be dedicated to mental health.

"It's important that any tax we raise has a nexus to how the money will be spent," said Representative Bill Kennemer (R-Oregon City), a retired psychologist. "Using the tax from an addictive behavior to treat mental health and addiction treatment is a logical way to address the increasing needs in those areas of our healthcare delivery system."

Lastly, the Republican plan includes no need in the first year for general fund dollars.

“Right now, we are faced with two options: we can fully fund healthcare, but reduce the increase in school budgets or we can fund healthcare to the proper level based on solid data, and redirect general fund dollars to our K-12 budgets,” said Representative Jodi Hack (R-Salem). “After the redeterminations later this year, we’ll know exactly how much we’ll need to finish the OHA budget in the 2018 session. I’m personally committed ending the budget drama that pits K-12 against healthcare.”

Republican members of the House Healthcare Committee urged all members of the legislature to give serious consideration to a one-year plan that ensures healthcare access to those eligible for Medicaid, while protecting all Oregonians from potentially unnecessary tax increases.

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