

10% General Fund / 10% Other & Federal Fund Reduction Options
(Limited Other and Federal Funds only - does not include non-limited funds)

Current Service Level Budget - OHA

2,747,841,229 1,036,529,686 6,639,647,487 10,424,018,402

10% Target

274,784,123 103,652,969 663,964,749 1,042,401,840

revised 10-9-2012

DSHP Yes or No	Accumulative % Reduction of CSL GF	Agency Priority	Program Area	Reduction Description	Federal Approval required? (Y/N)	GF & LF	OF	FF	TF	# of Employees Affected	Employee FTE Affected	Impact of Reduction on Services and Outcomes
No	-0.05%	1	OHA Central Services & Administration	Hold positions vacant: This action includes leaving positions vacant within the OHA Director's Office, Office of Health Policy & Research, Budget & Planning Analysis, and OHA Communications.	No	\$ (1,471,300)	\$ (79,125)	\$ (1,337,580)	\$ (2,888,005)	(16)	(13.81)	Holding these positions vacant and/or elimination of these positions will reduce reaction time to requests, services to program areas, cause delays in recruitment efforts, delay Health Systems Transformation work and assist the CCOs and other panels and boards.
No	-0.14%	2	MAP Admin & Program Support	The MAP Admin and program support budget includes the Medicaid Health Director, Oregon Healthy Kids, MAP Program support and the Office of Client and Community Services Processing Center.	No	(\$2,500,000)	\$ -	\$ (2,500,000)	\$ (5,000,000)	(8)	(8.00)	This combination of reductions will affect positions, services and supplies and professional service contracts. Staff positions affected through layoff will be both management service and represented staff.
No	-0.20%	3	AMH - Admin and Program Support	Maintain current vacancies, including 2 mgmt positions which would collapse the mgmt structure and merge adult and child mental health units in addition to holding an additional 11 positions vacant.	No	\$ (1,501,512)	\$ (108,460)	\$ (636,064)	\$ (2,246,036)	(13)	(13.00)	This action will result in longer response times for requests for information, files and data on Medicaid expenditures. There will be less support available to individuals to assist patients in transitioning from the state hospital and less support for those who need alcohol and drug free housing in developing and managing new Oxford Houses.
No	-0.20%	4	OPHP IEO	Reduce IEO administration by 5% in Services & Supplies.	No	(19,790)	\$ -		(19,790)	0	0.00	Decreases the program's ability to provide training and education activities on statutory changes, program changes, and health options available to small businesses and the general public.
Partially	-0.23%	5	PHD Admin and Program Support	PH would make administrative reductions throughout the Office of The State Public Health Director as well as the 3 Centers which support all PH activities throughout the Division.	No	\$ (700,000)	\$ -	\$ -	(700,000)	(3)	(3.00)	This combination of reductions will affect positions, services and supplies and professional service contracts. Staff positions affected through layoff will be both management service and represented staff.

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No	-0.81%	6	AMH-BMRC	AMH - Closure of the Blue Mountain Recovery Center for the last 18 months of the 13-15 biennium, with the transition of patients to OSH and Junction City- whichever is more appropriate for the level of care needed.	No	\$ (15,962,595)	\$ (3,102,392)	\$ (964,050)	\$ (20,029,037)	(136)	(97.62)	Early closure of Blue Mountain Recovery Center (BMRC). BMRC's closure was originally scheduled for Spring 2015. This action would close the facility earlier and move those patients not ready to transition to community settings to the Salem campus of the Oregon State Hospital. This move would put the Salem campus at nearly 90% of available occupancy – assuming current census and not counting the Portland campus of the hospital. There will be a loss of 60 psychiatric hospital beds in the system, until the completion of the Junction City hospital. Once that facility is opened, it will lessen the burden on the Salem campus. At 90% capacity, the Salem campus will not be able to meet the needs of incoming patients, including the aid and assist patients that are mandated to be admitted within seven days of the order promulgation. Loss of this ability will create an increase in the wait list in local acute psychiatric hospitals as well as potential burden on jail populations. As such, if OSH is operating at a 90% capacity, there is increased levels of violence from patients to staff.
No	-1.16%	7	AMH - OSH	The Oregon State Hospital will continue the Non-Direct Care/Administrative cost reduction measures that have been implemented during the 2011-13 biennium and prior. These measures include a department wide hiring freeze, and targeted reductions of all Service & Supply expenditure budgets, and change the float pool from permanent full time positions to temporary positions thereby eliminating cost of benefits.	No	\$ (9,697,920)	\$ -	\$ -	\$ (9,697,920)	(32)	(32.00)	These measures include a department wide hiring freeze, and targeted reductions of all Service & Supply expenditure budgets, and change the float pool from permanent full time positions to temporary positions thereby eliminating cost of benefits.
No	-1.18%	8	AMH	Defer the capital improvement budget for another biennium.	No	\$ (679,238)	\$ -	\$ -	\$ (679,238)	-	-	This action defers the capital improvement budget for the third biennium in a row. Due to new construction for the Salem campus of the hospital system, and the planned construction of a new facility in Junction City, it is anticipated that the need for remodel or improvement projects is low, which will allow this move without great risk to the agency.
Yes	-1.50%	9	AMH	AMH - Eliminate Cost of Living Increases in the Current Service Level budget for those areas that OHA has discretion over COLAS such, as program service contracts.	No	(8,636,754)	(633,368)	(5,789,074)	\$ (15,059,196)			This would be the second biennium that providers were not given an increase for providing services. 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 would likely be reductions in workforce in community providers and the loss of some smaller providers due to the inability to secure funding through other sources. This action will lead to a loss of residential capacity in the community system.

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No	-1.56%	10	AMH - A & D Treatment	Parent Child Interaction Therapy (PCIT) reduction. This reduction cuts nearly \$1.8 million under service element A&D 60 for special projects.	No	(1,787,086)	\$ -	\$ -	(1,787,086)			Without this project, there will be a loss of infrastructure for Parent Child Interaction Therapy, an EBP addressing disruptive behavior disorders in young children. Adverse effects would be experienced by communities poised to train clinicians and implement PCIT. Families whose children exhibit these disorders would not be served. This will result in the need for child welfare services relating to permanency, increase in school failure, out-of-home placement, crime, special education, and K-12 grade repetition. This reduction will jeopardize the Maintenance of Effort (MOE) requirement of the Substance Abuse Prevention and Treatment (SAPT) block grant.
Yes	-1.88%	11	AMH-CMH	Propose select Mental Health program reductions from the 2011-13 reduction list.	No	(8,701,985)	\$ -	\$ -	(8,701,985)			This reduction will significantly affect 2,983 Oregonians with mental illness. Access to crisis services, acute psychiatric treatment (in a hospital setting), medications and case management services will be reduced by this reduction. This will likely result in people becoming more ill, doing poorly in school, experiencing strained family relationships and in some instances people will become homeless or may be jailed. There will be increased demands on the crowded state hospital. These reductions could jeopardize the Maintenance of Effort requirements for the Mental Health Block Grant.
Yes	-1.94%	12	AMH - Community BH	1% reduction in flexible funding for community mental health, A&D tx, A&D prevention, Problem Gambling treatment and prevention services.	No	(1,701,888)	\$ -	\$ -	(1,701,888)			To accomplish the 5% reductions target equates to a 1% reduction in funding for community addictions and mental health services. This will result in more than 16,000 adults, youth and children a year not eligible for Medicaid or insurance funding not receiving needed mental health and addictions services. Other non-Medicaid community services would be reduced for all individuals. Without these services individuals who are very ill may injure themselves or others. There would be an increase in deaths related to mental health crises in the community. Counties would not be able to fully meet their statutory obligations to investigate civil commitments. Without treatment people will continue to abuse alcohol & drugs, be at risk for infectious diseases, commit crimes, endanger their children, and lose their jobs. This will increase health costs, child welfare caseloads and reduce the ability of TANF clients to become employable. This reduction jeopardizes the MOE requirements for federal block grants.
Yes	-1.95%	13	PHD	Parasitology and Syphilis Testing at State Public Health Laboratory	No	(200,000)	\$ -	\$ -	(200,000)	(1)	(1.00)	The State of Oregon would stop conducting parasitology testing and syphilis testing (RPR and FTA) for statewide disease control purposes. Local and state disease control programs will be unable to diagnose and prevent these infections, which will spread in the community, resulting in greater morbidity and mortality. Public Health will be unable to fulfill its statutory requirement to provide testing to local health departments for reportable diseases (ORS 433.012). This could have a potential impact on CCO funding since this General Fund is used as match for the federal Medicaid DSHP waiver.

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Yes	-1.97%	14	PHD	State Support to Local Health Departments	No	\$ (623,459)	\$ -	\$ -	\$ (623,459)	-	-	Local County Public Health Departments (LPHD) would receive \$1.03 per capita per year for public health services rather than \$1.11 per capita per year. The impact by county would vary. These state funds are to conduct early detection, epidemiological investigations, and prevention activities to help report, monitor, and control communicable diseases, like influenza and foodborne illnesses. In addition, because these state dollars are used to provide the required match on several federal funding sources including the Public Health Preparedness Program, millions of dollars of other federal grant funds may be jeopardized.
No	-2.04%	15	OPHP FHIAP	Reduce the G/F support for Office of Private Health Partnership. This would be administered as a reduction to FHIAP subsidy payments.	No	(1,802,383)		\$ (2,907,069)	\$ (4,709,452)			Reduces the amount of GF-supported subsidy payments and the associated federal match for FHIAP enrollees, resulting in a reduction of approx. 617 lives covered by the FHIAP program (24 month average)
No	-2.12%	16	MAP	Make the physical health preferred drug list (PDL) enforceable. Amendments to ORS 414.325 become operative January 2014 that effectively end the enforcement of a physical health preferred drug list. These savings are phased out of the Current Service Level (CSL) budget for Medical Assistance Programs. There is a Legislative Concept to continue the enforceable PDL.	No	(2,337,592)	\$ (391,742)	\$ (4,653,629)	\$ (7,382,963)			The enforceable physical health preferred drug list has been in effect since April 2011. It generates significant savings in the Medical Assistance Programs budget. Without the authority to continue the list, there is little or no ability for OHA to control its expenditures on prescription drugs for Oregon Health Plan clients.
No	-2.17%	17	MAP	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. This projection uses the latest MH drug cost information and assumptions from OSU Pharmacy College. Grandfathering current MH drug prescriptions for existing clients is one of the new assumptions. LEGISLATIVE ACTION REQUIRED. CMS APPROVAL REQUIRED (assumes January 1, 2014 implementation date).	Yes, CMS would need to approve a Medicaid SPA.	\$ (1,390,806)	\$ (55,420)	\$ (3,809,750)	\$ (5,255,976)			Many mental health organizations, including the National Alliance of Mental Illness (NAMI), strongly oppose putting mental health drugs on an enforceable PDL stating that many drugs have little research or outcome data to be evaluated properly.
Potentially	-2.31%	18	MAP	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 (assumes January 1, 2014 implementation date).	Yes, CMS would need to approve a Medicaid SPA, new capitation rates and MCO contracts	\$ (3,710,000)	\$ (940,000)	\$ (7,740,000)	\$ (12,390,000)			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.

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Potentially	-2.66%	19	MAP	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. DME includes costs associated with stipends or salaries for residents, payments to supervising physicians, and direct program administration costs. CMS APPROVAL REQUIRED (assumes January 1, 2014 implementation date).	Yes, CMS would need to approve a Medicaid SPA, new capitation rates and MCO contracts	\$ (9,540,000)	\$ (2,410,000)	\$ (19,910,000)	\$ (31,860,000)			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.
No	-2.67%	20	MAP	Reduce specific Oregon Health Plan fee-for-service (FFS) rates by 5%. The agency would implement targeted FFS rate reductions in the following areas: physicians and other professional services, except for primary care; anesthesia; therapies; durable medical equipment; ambulance; home health; vision; dental; mental health, except for assessment and treatment planning; and, inpatient and outpatient rates to large hospitals (those with 50 beds or more). CMS APPROVAL REQUIRED (assumes January 1, 2014 implementation date).	Yes, CMS would need to approve a Medicaid SPA.	\$ (321,582)	\$ (193,149)	\$ (967,343)	\$ (1,482,074)			Because the agency has already implemented Oregon Health Plan (OHP) rate cuts during the 2011-13 biennium, the Centers for Medicare and Medicaid Services (CMS) would be reluctant to approve further rate reductions. CMS would require extensive analysis and documentation demonstrating that OHP clients would still have adequate access to services following such cuts.
No	-2.69%	21	OHA Central Services & Administration	Reductions to Services & Supplies: This action includes reduction of professional services, publicity & publications, and Attorney General fees.	No	\$ (589,115)	\$ (151,950)	\$ (203,404)	\$ (944,469)	-	-	Reduces the use of outside expertise to work on major projects and initiatives including Health Systems Transformation & CCOs. Will slow progress on work towards Governor's initiatives. May cause delays in program implementation, causing non-compliance for the agency which could result in loss of funding or penalties.
No	-2.78%	22	MAP Admin & Program Support	The MAP Admin and program support budget includes the Medicaid Health Director, Oregon Healthy Kids, MAP Program support and the Office of Client and Community Services Processing Center.	No	(\$2,500,000)	\$ -	\$ (2,500,000)	\$ (5,000,000)	(8)	(8.00)	This combination of reductions will affect positions, services and supplies and professional service contracts. Staff positions affected through layoff will be both management service and represented staff.
No	-2.82%	23	AMH - Admin and Program Support	Maintain current vacancies, hold an additional 8 positions vacant.	No	\$ (1,015,143)	\$ -	\$ (552,210)	\$ (1,567,353)	(8)	(8.00)	This action will result in longer response times for requests for information, files and data on Medicaid expenditures. There will be less support available to individuals to assist patients in transitioning from the state hospital and less support for those who need alcohol and drug free housing in developing and managing new Oxford Houses.
Partially	-2.84%	24	PHD Admin and Program Support	PH would make administrative reductions throughout the Office of The State Public Health Director as well as the 3 Centers which support all PH activities throughout the Division.	No	\$ (700,000)	\$ -	\$ -	\$ (700,000)	(3)	(3.00)	This combination of reductions will affect positions, services and supplies and professional service contracts. Staff positions affected through layoff will be both management service and represented staff.
No	-2.84%	25	OPHP IEO	Reduce IEO administration by 5% in Services & Supplies.	No	(19,790)	\$ -	\$ -	\$ (19,790)	0	0.00	Decreases the program's ability to provide training and education activities on statutory changes, program changes, and health options available to small businesses and the general public.
No	-2.95%	26	AMH - OSH	Outsource Pharmacy	No	\$ (3,000,000)	\$ -	\$ -	\$ (3,000,000)			This requires the installation of an automated pharmacy system, which is currently being pursued.
No	-2.98%	27	AMH - Program Support	Targeted reduction of Personal Services Contracts that support both Mental Health and Alcohol and Drug programs.	No	\$ (693,069)	\$ (17,896)	\$ (346,441)	\$ (1,057,406)	-	-	This would reduce several personal services contracts by 50%. Contract reductions would include the suicide helpline, Morrow County Warmline, support for Oxford Houses, supported employment, and Afro Centric Services through the Oregon Health Sciences University. Reductions in these contracts will increase the need for face-to-face crisis services and reduce culturally specific services for African Americans.

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Yes	-3.30%	28	AMH - OSH	Close one Geropsychiatric Ward - discharge at least 24 patients from unit that serves older clients with psychiatric and behavioral symptoms and younger brain injured adults with similar symptoms will be closed without community alternatives. It is unknown at this time who might be eligible for SPD services.	No	\$ (8,839,080)	\$ -	\$ -	\$ (8,839,080)	(43)	(43.00)	This reduction closes 1 ward in the Geropsychiatric Hospital Program that serves clients who themselves or whose services are not eligible for Medicaid reimbursement. The hospital would lose 24 beds and patients formerly served will be discharged into existing community programs that were unable to meet their complex medical, behavioral and mental health needs in the first place. This cut will destabilize the planning for the replacement of OSH which assumes a growth in the population. Program cuts of this magnitude may require suspension of the mental health civil commitment statutes found in ORS 426.005 through 429.320. This action could lead to increased costs in community settings for both Community Mental Health and Aging and People with Disabilities programs. Implementation requires additional community resources for consumers with dementia and/or traumatic brain injury. Movement of such patients from Oregon State Hospital, however, is in line with existing plans for treatment of such patients in more appropriate less restrictive, community-based settings.
	-3.91%	29	AMH - Community BH	11% reduction in flexible funding for community mental health, A&D tx, A&D prevention, Problem Gambling treatment and prevention services. <i>Note: this action includes 10% of the Lottery Fund reduction - at \$1.1 million.</i>	No	\$ (16,779,366)	\$ -	\$ -	\$ (16,779,366)	-	-	To accomplish the 10% reductions target equates to an additional 11% reduction in funding for community addictions and mental health services (total 12%). This will result in more than 16,000 adults, youth and children a year not eligible for Medicaid or insurance funding not receiving needed mental health and addictions services. Other non-Medicaid community services would be reduced for all individuals. Without these services individuals who are very ill may injure themselves or others. There would be an increase in deaths related to mental health crises in the community. Counties would not be able to fully meet their statutory obligations to investigate civil commitments. Without treatment people will continue to abuse alcohol & drugs, be at risk for infectious diseases, commit crimes, endanger their children, and lose their jobs. This will increase health costs, child welfare caseloads and reduce the ability of TANF clients to become employable. This reduction jeopardizes the MOE requirements for federal block grants.
No	-3.98%	30	AMH - Program Support	Discontinue the Compass Project - Eliminate 6 positions and terminate contract with FEI (\$741,000)	No	\$ (1,835,617)	\$ -	\$ (102,301)	\$ (1,937,918)	(6)	(6.00)	This project is an effort to replace old, outdated contracting and data systems. It would position the mental health and addictions programs for linkage to the Coordinated Care Organizations. This action could result in the project to replace legacy systems incomplete. Further, by eliminating the positions associated with the project, there would be a negative impact on the ability to fully implement the portions of the project that are completed. This action would put completion of the project at risk, and eliminates staffing intended to support the system once fully operational.
No	-4.02%	31	PHD	Contraceptive Care	No	(1,119,366)		(10,074,294)	\$ (11,193,660)			This cut would mean 40,741 fewer reproductive health services visits for under or uninsured men and women. As a result the number of Medicaid-paid births in Oregon would increase, and more than \$10 million dollars in federal matching funds would be lost.

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No	-4.08%	32	PHD	School Based Health Centers (SBHCs)	No	(1,800,000)		-	\$ (1,800,000)			An estimated 7,000 school-aged youth would not receive preventive physical and mental health services if the program were reduced and some centers would close (state support to 15 to 22 SBHCs would be eliminated). Client level impact will result in increases in foregone care including reductions in preventive care visits & screenings, treatment for acute and chronic illness or disease, immunizations, reproductive health services, mental or emotional conditions, delayed care that then requires more complex/expensive treatment.
No	-4.08%	33	OPHP-OEI	Reduce IEO administration by an additional 5% in Services & Supplies.	No	\$ (19,790)	\$ -	\$ -	\$ (19,790)	-	-	Further erodes the program's ability to provide training and education activities on statutory changes; program changes and health options available to small businesses and the general public.
No	-4.15%	34	OPHP FHIAP	Reduce the G/F support for Office of Private Health Partnership. This would be administered as a reduction to FHIAP subsidy payments.	No	(1,802,383)		\$ (2,907,069)	\$ (4,709,452)			Reduces the amount of GF-supported subsidy payments and the associated federal match for FHIAP enrollees, resulting in a reduction of approx. 617 lives covered by the FHIAP program (24 month average)
No	-4.29%	35	MAP	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 Plus benefit package: root canals for permanent teeth and retreatment of root canals (i.e., endodontics); full and partial dentures; and crowns. Oregon Health Plan coverage is based on the Prioritized List of Health Services. The dental services eliminated for OHP Plus adults under this reduction are those found on lines 414, 436, 468, 477, 480 and 494 of the prioritized list. The Health System Transformation waiver Special Terms and Conditions (STCs) prohibits the state from reducing eligibility or benefits. Because CMS approval is required assumes January 1, 2014 implementation date.	Yes, CMS would need to approve a waiver amendment, Medicaid SPA, new capitation rates and MCO contracts.	\$ (3,995,971)	\$ -	\$ (12,728,484)	\$ (16,724,455)			Adults receiving the OHP Plus 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.
No	-5.55%	36	MAP	Eliminate non-emergent dental coverage for OHP Plus non-pregnant clients. OHP Plus non-pregnant adults would have the same dental coverage as provided by the OHP Standard benefit package, which limited to emergency dental services (e.g., acute infection or abscess, severe tooth pain, tooth re-implantation and extraction of symptomatic teeth). The Health System Transformation waiver Special Terms and Conditions (STCs) prohibits the state from reducing eligibility or benefits. LEGISLATIVE ACTION REQUIRED. Because CMS approval is required assumes January 1, 2014 implementation date.	Yes, CMS would need to approve a waiver amendment, Medicaid SPA, new capitation rates and MCO contracts.	\$ (34,415,950)	\$ -	\$ (78,342,816)	\$ (112,758,766)			Non-pregnant adults who receive the OHP Plus benefit package would receive the same limited dental package as provided to OHP Standard clients. OHP Standard dental benefits are limited to services requiring immediate treatment and are not intended to restore teeth. Services provided include treatment for the following: acute infection; acute abscesses; severe tooth pain; tooth re-implantation when clinically appropriate; and extraction of teeth, limited to those teeth that are symptomatic. Lack of comprehensive dental benefits and untreated oral health conditions can cause disfiguring tooth loss and decay that can limit employment options and lower self-esteem. Problems with oral health can exacerbate and cause other serious health conditions.

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No	-5.57%	37	MAP	Eliminate coverage for therapy services for Oregon Health Plan (OHP) Plus non-pregnant adults. The agency would eliminate physical therapy, occupational therapy, and speech therapy from the OHP Plus benefit package for non-pregnant adults. The Health System Transformation waiver Special Terms and Conditions (STCs) prohibits the state from reducing eligibility or benefits. LEGISLATIVE ACTION REQUIRED. Because CMS approval is required assumes January 1, 2014 implementation date.	Yes, CMS would need to approve a waiver amendment, Medicaid SPA, new capitation rates and MCO contracts.	\$ (666,225)	\$ -	\$ (1,109,901)	\$ (1,776,126)	(1)	(0.50)	Non-pregnant adult Oregon Health Plan clients needing these services would experience prolonged health care issues affecting their ability to become self-sufficient. Hospital stays and the length of time for recovery from orthopedic surgery would increase. This reduction would negatively impact health system transformation as fewer services and dollars would be available.
No	-5.61%	38	MAP	Eliminate coverage for prosthetic devices, hearing aids, chiropractic services and podiatry services for Oregon Health Plan (OHP) Plus non-pregnant adults. The agency would eliminate coverage for prosthetic devices, hearing aids, chiropractic services, and podiatry services from the OHP Plus benefit package for non-pregnant adults. The Health System Transformation waiver Special Terms and Conditions (STCs) prohibits the state from reducing eligibility or benefits. LEGISLATIVE ACTION REQUIRED. Because CMS approval is required assumes January 1, 2014 implementation date.	Yes, CMS would need to approve a waiver amendment, Medicaid SPA, new capitation rates and MCO contracts.	\$ (1,055,976)	\$ (1,943)	\$ (1,762,446)	\$ (2,820,365)			Health care needs for a significant number of non-pregnant adult Oregon Health Plan clients, especially seniors and people with disabilities would go unmet. For example, individuals would live without prosthetic devices for amputated limbs; individuals with hearing impairments would go without necessary aids; and, individuals with diabetic or neuropathic conditions would go without foot care treatment. In some instances, other agency programs would have to fund these services. This reduction would negatively impact health system transformation as fewer services and dollars would be available.
No	-5.87%	39	MAP	Eliminate dental coverage for Oregon Health Plan (OHP) Plus non-pregnant adults and OHP Standard clients. The agency would eliminate the remaining non-pregnant adult dental coverage for the OHP Plus and OHP Standard benefit packages. The Health System Transformation waiver Special Terms and Conditions (STCs) prohibits the state from reducing eligibility or benefits. LEGISLATIVE ACTION REQUIRED. Because CMS approval is required assumes January 1, 2014 implementation date.	Yes, CMS would need to approve a waiver amendment, Medicaid SPA, new capitation rates and MCO contracts.	\$ (7,072,321)	\$ -	\$ (22,724,861)	\$ (29,797,182)			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 health system transformation as fewer services and dollars would be available.
No	-7.77%	40	MAP	Cover 29 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, 2013, OHP would cover lines 1 through 468. The agency would seek federal approval to no longer cover lines 469 through 498 for the OHP Plus and OHP Standard benefit packages. The Health System Transformation waiver Special Terms and Conditions (STCs) prohibits the state from reducing eligibility or benefits. LEGISLATIVE ACTION REQUIRED. Because CMS approval is required assumes January 1, 2014 implementation date.	Yes, CMS would need to approve a waiver amendment, Medicaid SPA, new capitation rates and MCO contracts.	(\$52,338,801)		(\$93,185,646)	\$ (145,524,447)	-	-	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 conditions such as collapsed structure of a lung, hearing loss, adjustment disorders and neonatal eye infections would end. 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.

10% General Fund / 10% Other & Federal Fund Reduction Options
(Limited Other and Federal Funds only - does not include non-limited funds)

Current Service Level Budget - OHA

2,747,841,229 1,036,529,686 6,639,647,487 10,424,018,402

10% Target

274,784,123 103,652,969 663,964,749 1,042,401,840

revised 10-9-2012

DSHP Yes or No	Accumulative % Reduction of CSL GF	Agency Priority	Program Area	Reduction Description	Federal Approval required? (Y/N)	GF & LF	OF	FF	TF	# of Employees Affected	Employee FTE Affected	Impact of Reduction on Services and Outcomes
No	-9.26%	41	MAP	Reduce the DRG hospital component of managed care rates from 80% of Medicare to 70%. The 2013-15 Current Service Level (CSL) budget assumes that, starting January 2014, the base reimbursement rate by managed care organizations, including Coordinated Care Organizations, to DRG hospitals is funded at 80% of Medicare rates. This reduction would lower the base rate to 70% of Medicare. CMS APPROVAL REQUIRED (assumes January 1, 2014 implementation date).	Yes, CMS would need to approve contract and rate changes	\$ (40,826,847)	\$ -	\$ (103,025,602)	\$ (143,852,449)			This reduction would lower the amount of money managed care organizations, including Coordinated Care Organizations, would have in their rates for services provided by hospital that are reimbursed by Medicare based on diagnostic related groups (DRGs).
No	-10.00%	42	MAP	Reduce the DRG hospital component of managed care rates from 70% of Medicare to 65%. The 2013-15 Current Service Level (CCSL) budget assumes that, starting January 2014, base reimbursement rate by managed care organizations, including Coordinated Care Organizations, to DRG hospitals is funded at 80% of Medicare rates. A reduction option higher on the list would lower the base rate to 70% of Medicare from 80%. This reduction would further lower the base rate to 65 percent of Medicare. CMS APPROVAL REQUIRED (assumes January 1, 2014 implementation date).	Yes, CMS would need to approve contract and rate changes	\$ (20,413,423)	\$ -	\$ (51,512,801)	\$ (71,926,224)			This reduction would lower the amount of money managed care organizations, including Coordinated Care Organizations, would have in their rates for services provided by hospital that are reimbursed by Medicare based on diagnostic related groups (DRGs).
Partially	-10.00%	43	All-OHA	Additional program reductions within O/F and F/F programs for HB 3182	Yes, CMS would need to approve a Medicaid SPA for anything affecting MAP Program changes.	\$ -	\$ (95,567,524)	\$ (231,671,914)	\$ (327,239,438)			Addition reductions to meet a 10% reduction in O/F and F/F limitation would affect many PHD programs (e.g. OMMP, Vital Records, PHL, and significant MAP programs such Prescription Drug Monitoring, Care Assist, as well as OHP line items funded by General Fund and Tobacco Tax. These may include reductions to Mental health services for non-pregnant adults, and the other governmental entities which provide leverage for Medicaid funding to Graduate Medical Education (GME) with OHSU, TCM, administrative claiming for Education Service Districts, and Behavioral Rehabilitation Services with ten juvenile justice departments. OPHP and OEBB/PEBB Programs would also have programs affected by limitation adjustments.
				revised 10-9-2012		\$ (274,784,123)	\$ (103,652,969)	\$ (663,964,749)	\$ (1,042,401,841)	(278.00)	(236.93)	