

Oregon Health Authority (OHA)

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 2013-15 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;
- 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

Significant known federal revenue changes or risk factors

Tobacco settlement

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 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. If or how much funding the agency will receive from settlement funds is currently unsettled.

Monies are from the tobacco settlement funds OHA Medical Assistance Programs.

- Revenue budgeted in 2011-13 LAB is \$30 million.
- Revenue estimated for 2013-15 CSL is \$30 million

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 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 Addictions and Mental Health (AMH) programs. The funding projection is based on the grant cycle. Revenues will be reduced in 2013-15 because the grant expires on September 29, 2014.

- Revenue budgeted in 2011-13 LAB is \$6.4 million.
- Revenue estimated for 2013-15 CSL is \$4.1 million

Center for Mental Health Services block grant (CMHS)

Federal CMHS funds are granted to states to carry out activities in the Addictions and Mental Health (AMH) 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.

This grant currently funds AMH programs. The funding projection is based on the grant cycle.

- Revenue budgeted in 2011-13 LAB is \$9.9 million.
- Revenue estimated for 2013-15 CSL is \$10.8 million.

Center for Mental Health Services (CMHS) funded research

CMHS currently funds Oregon's Office of Mental Health Services Data Infrastructure Grant, which is being used to assist AMH in building data infrastructure to meet uniform data set reporting requirements for the Community Mental Health Block Grant. It also is funding the Statewide Coalitions to Promote Community-Based Care Grant, which helps AMH select the most appropriate integrated setting for service delivery to persons with psychiatric disabilities. CMHS revenue is 100 percent federal funds and does not require state match.

These grants currently fund programs in AMH.

- Revenue budgeted in 2011-13 LAB is \$0.2 million.
- Revenue estimated for 2013-15 CSL is \$0.2 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 (PH) programs. The projection of revenue is based on the grant cycle.

- Revenue budgeted in 2011-13 LAB is \$12.4 million.
- Revenue budgeted in 2013-15 CSL is \$12.4 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 assistance through the Office of Private Health Partnerships (OPHP);
- 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; and
- 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 2013-15 biennium is 62.49 percent. The cost of services and supplies for Family Planning is matched at 90 percent. The Breast and Cervical Cancer program, which is an optional Medicaid program, receives the CHIP Title XXI match rate of 74 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.

Medicaid currently funds services in all OHA divisions. 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. The increase in the 13-15 Biennium is due to increases in inflation, caseload and the inclusion of the standard populations due to ACA in 2014. These funds require a state funding match.

- Revenue budgeted in 2011-13 LAB is \$4.1 billion.
- Revenue budgeted in 2013-15 CSL is \$5.5 billion.

Public Health federal fund grants

Public Health (PH) receives over 90 categorical federal fund grants targeting specific activities. The variety of programs administered by PH using federal funds include, but are not limited to, Cancer Prevention, Emerging Infections, Immunization, Water System Revolving Fund, Public Health Infrastructure, and Disaster Preparedness.

Public Health federal fund grants currently finance programs in PH. 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 budgeted in 2011-13 LAB is \$250.3 million.
- Revenue budgeted in 2013-15 CSL is \$260.6 million*.

*Excluding \$102.7 million Non-limited WIC funds

Nutrition and Health Screening 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 2011, local programs served 177,827 women, infants and children. This includes 40 percent of all infants born in the state; 61 percent of all infants born in rural counties; and one in three Oregon children under the age of 5. More than 72 percent of those served are from working families. Non-limited federal funds: Federal Entitlement Program

- Revenue budgeted in 2011-13 LAB is \$150.0 million.
- Revenue budgeted in 2013-15 CSL is \$150.0 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. CHIP also supports private insurance premium assistance through the Office of Private Health Partnerships (OPHP). Average federal Title XXI match rate for the 2013-15 biennium is 73.9 percent.

These funds currently support programs in Medical Assistance Programs (MAP) and OPHP. The projection method used to calculate available funds are expenditures based on estimated Average Daily Populations (ADP) and Cost per Case (CPC). Unlimited federal funds: Federal Entitlement Program

- Revenue budgeted in 2011-13 LAB is \$348.8 million.
- Revenue budgeted in 2013-15 CSL is \$301.6 million.

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 AMH. The fund projection is based on grant cycle methodology.

- Revenue budgeted in 2011-13 LAB is \$35.5 million.
- Revenue budgeted in 2013-15 CSL is \$35.7 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 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 programs in AMH. The method used to project revenue is the grant cycle.

- Revenue budgeted in 2011-13 LAB is \$1.9 million.
- Revenue budgeted in 2013-15 CSL is \$1.9 million.

Strategic Prevention Framework State Incentive Grant (SPF-SIG)

SPF-SIG is a five-year grant (ending in 2015) that will enhance the substance abuse prevention system in Oregon. Funding will be directed toward priority problem behaviors identified through collaboration with the State Epidemiological Workgroup within AMH.

Programs currently funded are in AMH. The revenue projection is based on the pre-approved annual grant amounts. The revenue from this grant will be reduced by half because it expires half way through the biennium on June 30, 2014.

- Revenue budgeted in 2011-13 LAB is \$4.3 million.
- Revenue budgeted in 2013-15 CSL is \$2.1 million.

Office for Oregon Health Policy and Research federal grants

The Office for Oregon Health Policy and Research has successfully applied for and has been awarded a number of federal grants. The primary grants are an award from the US Department of Health and Human Services Health

Resources and Services Administration (HRSA) for 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 services, and funding from the Centers for Medicaid and Medicare to improve and study children's quality of healthcare services through new models of care such as the patient-centered primary care home in partnership with two other states.

Total funds are reduced for the 13-15 biennium because funding for a multi-year grant to implement a State Health Access Program (SHAP) that has supported a variety of health reform and transformation activities across several areas of OHA was not renewed.

- Revenue budgeted in 2011-13 LAB is \$12.9 million.
- Revenue budgeted in 2013-15 CSL is \$7.0 million.

Other Funds

Public Employees' Benefit Board (PEBB)

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 0.4 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 and dental benefits.

This revenue currently funds PEBB operating costs and premium payments for employee medical and dental benefits. The budget amount is based on actuarial projection of premium composite.

- Revenue budgeted in 2011-13 LAB is \$1.4 billion.

- Revenue budgeted in 2013-15 CSL is \$1.8 billion.

Oregon Educators Benefits Board (OEBB)

The Oregon Education Benefit Board (OEBB) 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 OEBB.

- Revenue budgeted in 2011-13 LAB is \$1.4 billion.
- Revenue budgeted in 2013-15 CSL is \$1.5 billion.

Oregon Medical Insurance Pool (OMIP)

The Oregon Medical Insurance Pool (OMIP) serves as Oregon's "high-risk" health insurance pool, providing coverage for individuals who are not able to access health insurance in the private market. The pool has two primary funding sources: premiums collected from individual who are insured and insurer assessments.

Premiums for OMIP enrollees are set between 100 percent and 125 percent of comparable coverage in the individual market for those that are medically eligible and at 100 percent for those who are eligible for portability coverage.

The majority of the department's revenue comes from an assessment on health insurers to cover losses in the OMIP account. The OMIP board determines the amount of funds needed to pay the expenses of the pool, beyond premiums paid by individual insureds, and imposes and collects the assessment. The amount assessed is based on each carrier's percent share of the Oregon's medically insured population. The status of OMIP (as with other programs under the Oregon Health Private Partnership OPHP) will evolve as OHA enters into full implementation of the ACA as anticipated in 2014. This revenue currently funds OMIP.

- Revenue budgeted in 2011-13 LAB is \$411.7 million.
- Revenue budgeted in 2013-15 CSL is \$411.7 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. This revenue currently funds programs in AMH.

- Revenue budgeted in 2011-13 LAB is \$18.6 million.
- Revenue budgeted in 2013-15 CSL is \$17.4 million.

Drug rebates

The Omnibus Budget Reconciliation Act of 1990 requires drug manufacturers to provide rebates from drugs purchased by state Medicaid programs. MAP 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 and Medicaid Services (CMS). 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 Oregon Health Plan (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 requires states collect rebates from drug manufacturers on all prescription drugs paid for by Medicaid managed care organizations. OHA began to invoice manufacturers late in the 2009-2011 biennium retroactive to the effective date. Rebate amounts will increase as a result of MMIS capturing rebates for managed care and there are more drug types than in previous biennia. These funds currently support MAP.

- Revenue budgeted in 2011-13 LAB is \$43.6 million.
- Revenue budgeted in 2013-15 CSL is \$70.0 million.

Fees and premiums

Public Health (PH) 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.

AMH uses licensing fees to finance the cost of certifying private mental health agencies that wish to bill private insurance companies. MAP uses the OHP premiums to fund the caseloads for families, and adults, and couples.

Fees and premiums currently fund programs in AMH, PH and MAP. The projection method used is historical receipt trends.

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 MAP. The projection method is based on estimates from Department of Revenue and Justice.

- Revenue budgeted in 2011-13 LAB is \$2.7 million.
- Revenue budgeted in 2013-15 CSL is \$2.7 million.

Provider tax

During the 2003 Oregon Legislative session, HB 2747 was passed imposing taxes on four types of businesses that provide health services to many of Oregon's Medicaid clients, including hospitals and Medicaid managed health care plans. DHS was given oversight of the taxes. Effective September 30, 2009, the hospital tax and the Medicaid MCO tax ended. In HB 2116, the Oregon Legislature re-established the hospital tax and instituted a new health insurer's tax to support the OHP. The insurer's tax is one percent of health premiums. HB 2116 specifies that certain Medicaid MCO types are subject to the insurer's tax.

Hospitals

Under HB 2116, the Director of OHA sets the hospital tax rate. The tax is imposed on both inpatient and outpatient net revenues from diagnosis-related group (DRG) hospitals. The tax rate for the 1st quarter of 13-15 is estimated to be 4.03%. The hospital tax pays for enhanced payments to hospitals and funds 50,000-60,000 clients in the Standard OHP program. This tax is due to sunset September 30, 2013 and revenues will be significantly lower 13-15.

- Revenue budgeted in 2011-13 LAB is \$783.0 million.
- Revenue budgeted in 2013-15 CSL is \$70.3 million.

MCO

Included in HB 2116, all health insurers, including specific Medicaid managed care organizations, are assessed a 1 percent tax through the bill's sunset date of September 30, 2013 and revenues will be significantly lower. The funds are deposited into the health system fund to assist in covering the cost of the Healthy Kids program.

- Revenue budgeted in 2011-13 LAB is \$28.1 million.
- Revenue budgeted in 2013-15 CSL is \$10.7 million.

Insurers Tax

HB 2116 created the Health Care for All Oregon Children program and established a 1 percent assessment on health insurers. The bill went into effect October 1, 2009. This assessment is collected by the Department of Consumer and Business Services and transferred to the health system fund. The estimated 2013-15 transfer to the Health System fund is \$29 million because this tax is due to sunset September 30, 2013 and revenues will be significantly lower. The funds are used to cover the cost of the Healthy Kids program.

- Revenue budgeted in 2011-13 LAB: \$113.2 million.
- Revenue budgeted in 2011-13 CSL: \$29.0 million.

Public Health Other Funds sources

Public Health (PH) has more than 150 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 PH. 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, Drug Lab Clean-Up, Health Records and Statistics, Newborn Screening, and Cross Connection and Backflow Inspection.

The largest other fund revenue source supporting PH programs is the non-limited Women, Infants, and Children (WIC) infant formula rebate. PH projects other fund revenue sources using historic data, contract agreements, anticipated levels of service and changes to fees.

- Revenue budgeted in 2011-13 LAB is \$117.1 million*.
- Revenue budgeted in 2013-15 CSL is \$106.1 million*.
*Including \$40.0 million nonlimited WIC Infant Formula rebate

Office for Oregon Health Policy and Research federal grants

The Office for Oregon Health Policy and Research has successfully applied for and has been awarded a number of federal grants. The primary grants are an award from the US Department of Health and Human Services Health Resources and Services Administration (HRSA) for 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 services, and funding from the Centers for Medicaid and Medicare to improve and study children's quality of healthcare services through new models of care such as the patient-centered primary care home in partnership with two other states.

Total fund are reduced for the 13-15 biennium because funding for a multi-year grant to implement a State Health Access Program (SHAP) that has supported a variety of health reform and transformation activities across several areas of OHA was not renewed.

- Revenue budgeted in 2011-13 LAB is \$12.9 million.
- Revenue budgeted in 2013-15 CSL is \$7.0 million.

Tobacco tax

Tobacco tax revenues approved in 1996 Ballot Measure 44 were appropriated to the Department of Human Services. The revenues support additional program delivery positions to perform eligibility determinations for the OHP and also support OHP caseloads. Tobacco tax revenue is projected to decrease in 2013-15. 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 MAP and PH.

- Revenue budgeted in 2011-13 LAB is \$351.1 million.
- Revenue budgeted in 2013-15 CSL is \$316.4 million.

Third party 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 MAP 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 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 MAP.

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 2013-15 biennium, HB 5035 sets Lottery proceeds allotted to OHA at a fixed amount of \$10.9 million. Lottery funds may be used only for problem gambling treatment and prevention services.

Lottery funds currently support programs in AMH. Projections are based on amounts provided by the Department of Administrative Services Office of Economic Analysis.

- Revenue budgeted in 2011-13 LAB is \$10.9 million.
- Revenue budgeted in 2013-15 CSL is \$10.9 million.