



Fiscal and Operations Division
Financial Investments and Outcomes Office

2025-27

Budget Summary

OHA Spring 2026 Legislatively Approved Budget



Other formats and languages

You can get this document (200-1562900_26) in other languages, large print, braille or a format you prefer free of charge. Contact the Equity and Inclusion Division at OHA.languageAccess@odhsoha.oregon.gov or 844-882-7889. We accept all relay calls.

Overview

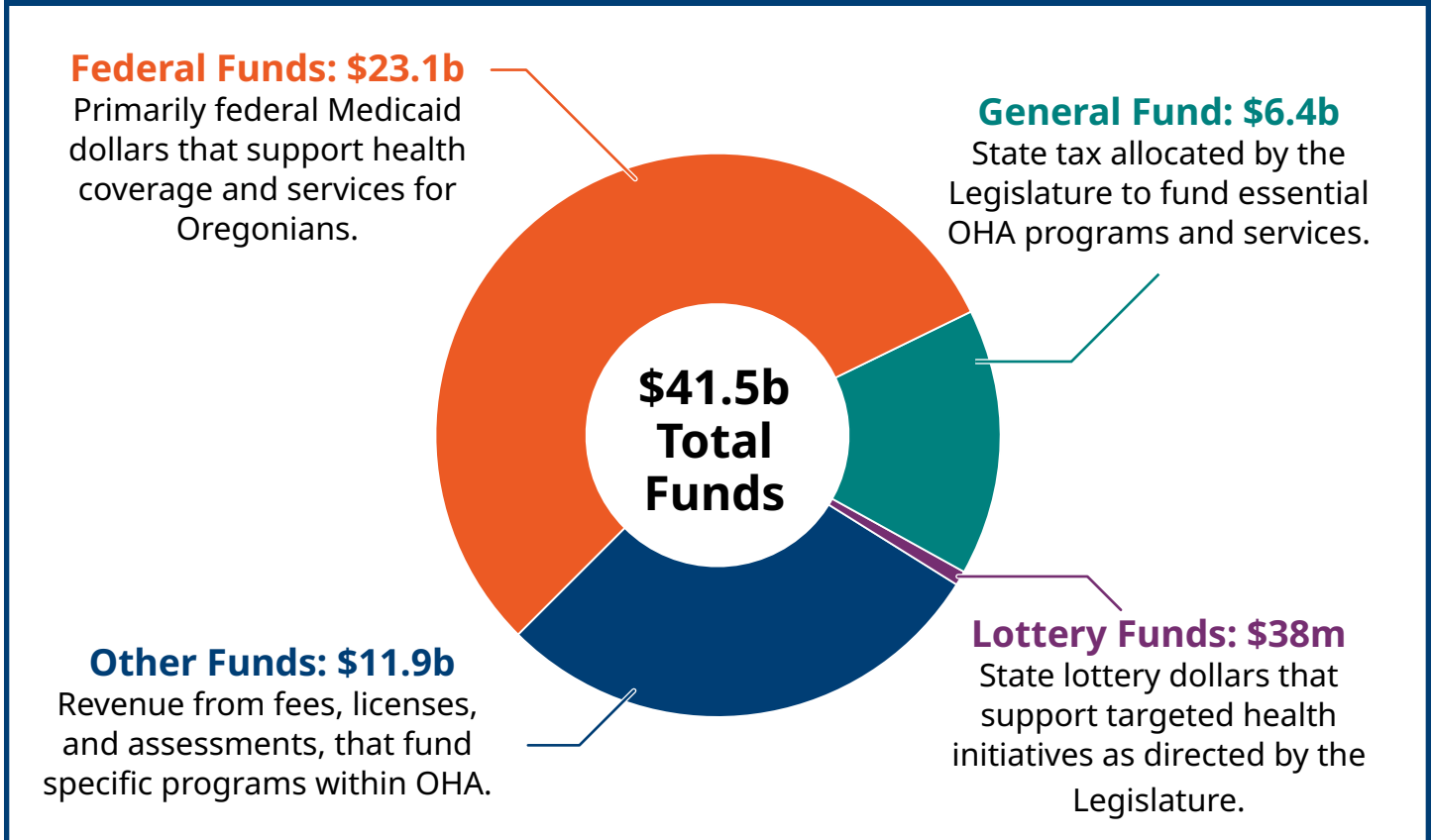
The Oregon Health Authority (OHA) is committed to ensuring people and communities across the state can access the mental, physical and social health resources they need. Since OHA's 2025–27 budget was approved in July 2025, updated revenue forecasts and federal changes impacted the funding needs of OHA and of all state agencies. In early 2026, the Oregon Legislature met to balance OHA's 2025–27 budget. The Legislature ultimately appropriated \$57.1 million additional General Fund, adjusted expenditure limitations and reduced administrative funding. These primary adjustments made were to account for a lower amount of revenue forecasted for the state and to address the impacts of H.R.1 — 119th Congress (2025–2026). More typical rebalance adjustments were also made, such as those relating to Oregon Health Plan caseloads.

Key achievements and funding highlights





- The Legislature provided General Fund and expenditure limitation for all programmatic impacts of H.R.1, along with \$6.3 million General Fund (\$12.4 million Total Funds) and 18 positions to implement H.R.1.
- \$345.2 million Federal Funds expenditure limitation and 35 new positions were included for the Rural Health Transformation Program.
- Rebalance actions were taken to address changes in the Oregon Health Plan (OHP) caseload forecast, Coordinated Care Organization capitation rate growth and offsetting quality incentive pool changes, and a reallocation of \$47 million of insurers' assessment from Department of Consumer and Business Services to OHA for OHP.
- Administrative reductions taken included savings from holding positions vacant and reducing services and supplies budgets. No cuts were made to existing positions or programmatic funding.
- Requested investments in Behavioral Rehabilitation Services, communications and partner engagement in support of H.R.1 implementation, and for HB 2005 (2025) activities were not funded.

How the budget is funded

2025–2027 budget by fund type, Spring 2026

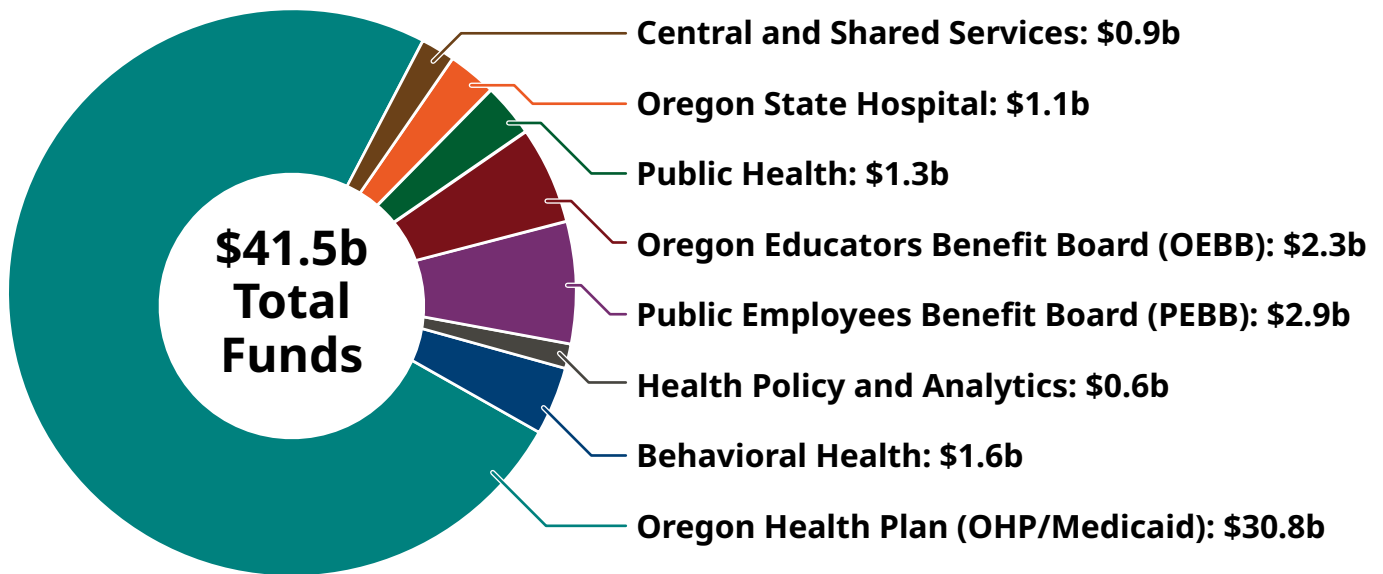


Changes from Summer 2025 to Spring 2026 2025–27 LAB

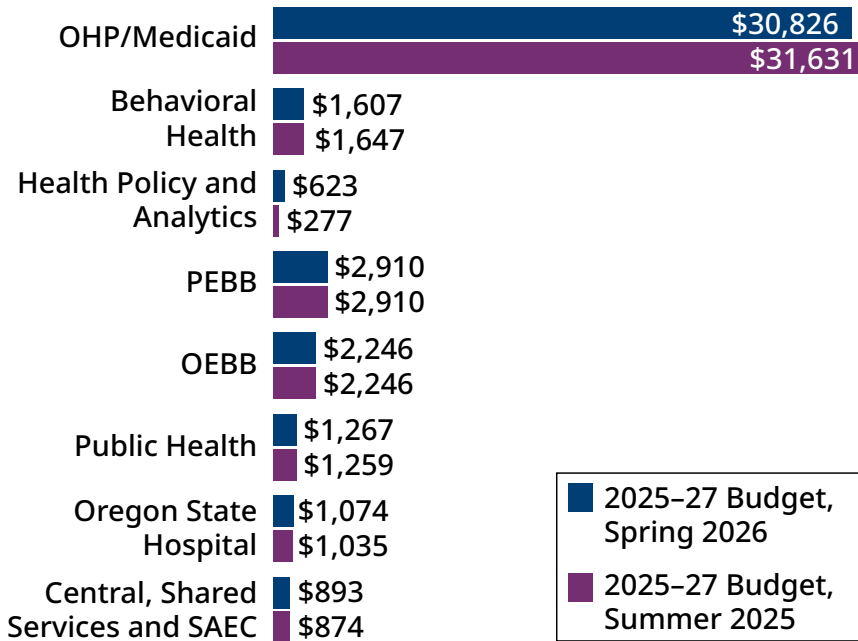
-  **General Fund**
Increased by \$64 million (+1%) primarily due to Medicaid CCO Rate adjustments and H.R.1 implementation requirements and offsets.
-  **Federal Funds**
Decreased by \$337 million (-1%) primarily due to changes in Medicaid caseload forecast, policy and reimbursement.
-  **Other Funds**
Decreased by \$159 million (-1%) primarily due to changes in Medicaid policy and reimbursement.
-  **Lottery Funds**
Remained stable.

How the budget is allocated across divisions

2025–27 budget allocation, as of Spring 2026, by division



Division budget comparison in millions



Primary new investments were in Health Policy and Analytics, Medicaid and the Oregon State Hospital. Medicaid also saw significant federal reductions of \$713M, partially offset by state investments.

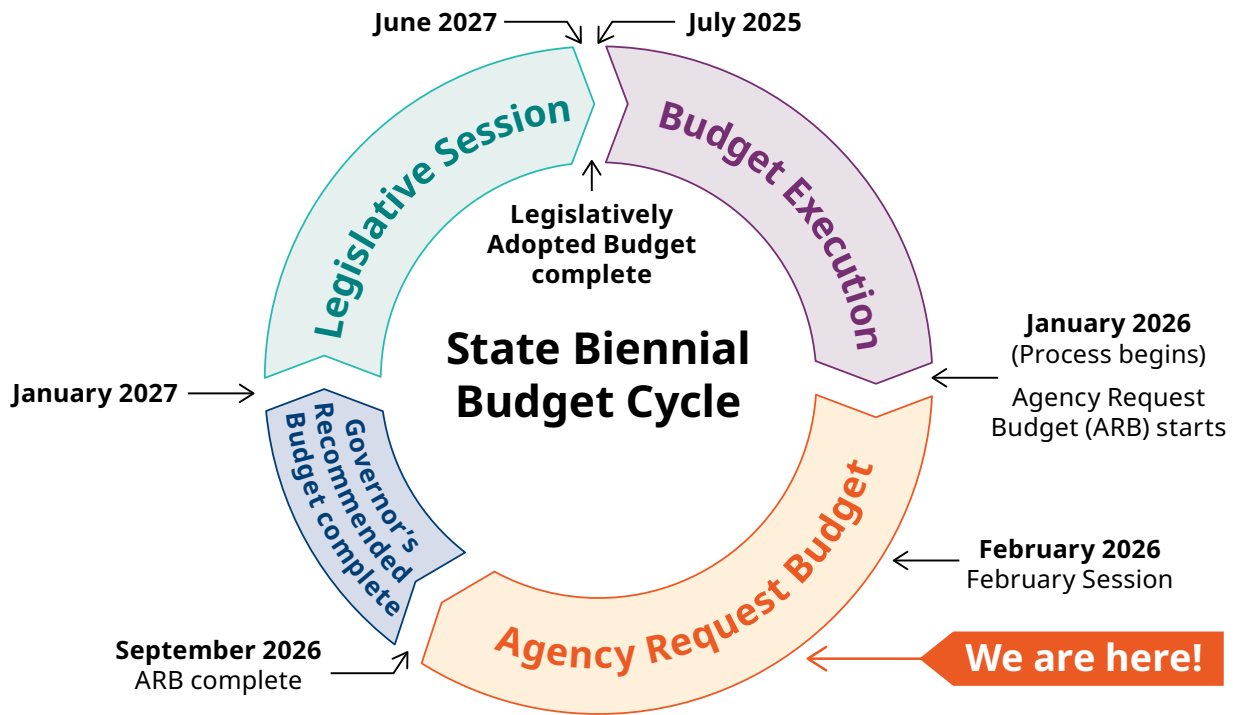
About the comparison

This chart shows how each division's most recently approved 2025–27 budget compares with the budget adopted at the start of the biennium.

Key observations

- The biggest changes were to the OHP/Medicaid budget due to routine caseload and cost adjustments, along with H.R.1 policy implementation.
- The Rural Health Transformation Grant Program more than doubled the budget of HPA. Much of that funding will be distributed to the community via grants.

The budget cycle: Where we are and how you can engage



Next steps

- Implement new legislation and funding levels, from small updates to major new programs, with equity at the center.
- Continue monitoring Oregon's revenue forecast and federal policy changes to prepare for the Fall 2026 rebalance and the development of OHA's 2027–29 budget.
- Engage partners and communities in planning for the 2027–29 budget.

How to get involved

- [Learn more about the legislative process](#)
- [Attend public meetings](#)
- [Learn more about OHA's strategic plan](#)

Oregon Health Authority
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www.oregon.gov/oha/fod/pages/financial-investments-outcomes-office.aspx



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