Agency Report

Item 10: Oregon Health Authority

Rebalance Report

Analyst: Linda Ames

Request: Acknowledge receipt of a report on the agency's 2015-17 biennium financial status.

Recommendation: Acknowledge receipt of the report. The Legislative Fiscal Office further recommends that the budgetary changes be refined and included in a budget reconciliation bill during the 2016 legislative session.

Analysis: The Oregon Health Authority (OHA) is presenting its first financial report for the 2015-17 biennium to the interim Joint Committee on Ways and Means, in anticipation of legislative action during the 2016 session. A typical agency rebalance plan reflects program cost increases and savings, revenue changes, and proposed management actions, if any, needed to balance the OHA budget. Rebalancing allows the agency, with legislative approval, to move General Fund between appropriations and adjust Other Funds and Federal Funds expenditure limitation as needed.

The agency was able to close out the 2013-15 biennium within its legislatively approved budget, but is carrying forward a net of $25 million Other Funds revenues. This is the revenue available for the 2015-17 budget, after using $20 million to cover the increased state costs of the revised 2015 coordinated care organization (CCO) rates for the six months from January through June of 2015.

As discussed during the 2015 legislative session, the agency has implemented an agency restructure as a part of this rebalance. While work on the restructure had begun early in 2015, the final plan was not yet ready to implement when the agency's budget was passed in June. The new structure is designed to promote health care transformation, including integration of physical, behavioral, and dental health. This structure better reflects the new world of CCOs, as well as public health programs aligned with system transformation.

The old Medical Assistance Programs (MAP) and Addictions and Mental Health (AMH) are eliminated in the restructure, with MAP and community mental health and addictions programs moving to the new Health Systems Division (HSD). The Oregon State Hospital (OSH) will now be its own budget structure. The old Private Health Partnerships is also now included in HSD, while the old Health Licensing Office is now included in Public Health. The Office of Equity and Inclusion (OEI) is moved from Health Policy and Analytics to Central Services for budget purposes, but OEI is considered one of the seven functional divisions of the agency.

As a part of the agency restructure, the agency did a thorough review of positions. Partly historical, dating back a number of years, and partly as a result of the implementation of health care transformation and the Affordable Care Act when many staff were brought on to perform time-sensitive tasks, the agency found itself with many staff who did not have appropriate position authority. In addition, as health care transformation moved forward, the agency needed fewer positions in some areas but more and/or different kinds of positions in other areas. The position

true-up included in this rebalance addresses all these issues for all parts of the agency except for the Oregon State Hospital and Shared Services.

Overall, the position true-up is budget neutral, and results in a reduction of two positions and an increase of 9.52 FTE. Besides savings from positions that are eliminated, a total of $3.5 million General Fund is moved from Services and Supplies to Personal Services in order to balance the overall package. The true-up resolves issues of permanent staff not having position authority, as well as limited duration staff that had been used for on-going functions and priorities, and will now have permanent position authority. The summary of the true-up by division is shown in the table below.

	HSD	OSH	PEBB/ OEBB	Public Health	Health Policy	Central/ Shared	Total
Position True-up							-
General Fund Costs	($3.0)	$0.1	$0.0	($0.0)	$0.7	$2.2	-
Total Funds Costs	($6.6)	$0.1	($0.4)	($0.4)	$2.7	$4.6	-
Positions	-18	1	-4	-14	11	22	-2
FTE	-16.49	1.00	-4.00	-6.05	12.00	22.79	9.25

The agency is projecting an overall shortfall of General Fund of $37.6 million. Budget problems total $129.7 million General Fund related to the following issues:

- Caseload increases
- Shift to prospective payments for eight more Federally Qualified Health Centers
- Increase in Medicare Part D clawback payments
- Increase in Medicare Part B premiums
- Costs related to the ONE eligibility system

Savings of $67.1 million General Fund result from a change in the federal match rate, an increase in the tobacco tax revenue forecast, additional Other Funds revenues carried over from the 2013-15 biennium, and an increase in the Other Funds revenues expected from settlements and drug rebates. In addition, the agency is planning to implement management actions to decrease costs by $25 million General Fund. These include an acceleration of the redetermination process next year, a delay in fee-for-service rate adjustments, and enhanced savings from program integrity efforts including fraud detection. The information above does not include potential additional hospital assessment revenue that is remaining from the Hospital Tax 4 Program that ended September 30, 2015. The final revenue had not yet been received when the agency submitted its report, and when this analysis was completed.

The agency reports a need for additional Federal Funds expenditure limitation of almost $1 billion, mostly related to the increased caseload forecast. There are also a number of technical adjustments/transfers included in this plan. Normally these adjustments net to zero for the agency as a whole. In this case there are some transfers between OHA and the Department of Human Services, and the adjustments net to zero across the two agencies. For OHA, these adjustments result in an increase of $53,868 General Fund and 14 positions.

The agency identifies a number of budget risks, including changes to caseloads, prescription drug costs, increased Aid and Assist population in the Oregon State Hospital, and costs of pending litigation.

The General Fund budget impact of the identified problems, savings, management actions, and technical adjustments are summarized in the table below:

General Fund $$ in millions	MAP	AMH	HSD	OSH	Public Health	Health Policy	Central/ Shared	Cap Impr	Total
2015-17 Leg. Adopted Budget	1,111.8	782.7			42.0	19.4	163.9	0.7	2,120.6
2015-17 Budget after Reorg			1,452.2	439.2	42.9	19.0	166.5	0.7	2,120.6
Position True-up			(3.0)	0.1	(0.0)	0.7	2.2	-	-
Rebalance Issues									
Costs			126.4	2.7	-	-	0.6	-	129.7
Savings			(63.4)	-	-	-	(3.7)	-	(67.1)
Management Actions			(25.0)	-	-	-	-	-	(25.0)
Technical Adjustments			(4.2)	(10.0)	(0.2)	(0.1)	14.6	-	0.1
Net Change from Reorg Budget	-	-	30.8	(7.2)	(0.2)	0.6	13.7	-	37.6

This Legislative Fiscal Office analysis will focus on the significant changes in each program area, with further explanation or discussion as warranted.

HEALTH SYSTEMS DIVISION (HSD)

New rebalance issues in this program result in an overall shortfall of $35 million General Fund. In addition, the budget is decreased by $4.2 million as a result of technical adjustments. As noted above, these numbers do not include potential hospital assessment remaining revenues. The agency's rebalance plan includes a net increase of $40.4 million Other Funds, a net increase of $964.8 million Federal Funds, and a reduction of 18 positions (-16.49 FTE).

A number of issues increase General Fund costs. The largest is related to the new Fall 2015 caseload forecast as compared to the Spring 2015 caseload forecast on which the legislatively adopted budget was based. Overall the forecast is up 10.6%, resulting in an increased General Fund need of $84.4 million General Fund and almost $992 million total funds. The single category that accounts for most of the increase is the ACA Adults. Parent/Caretaker Relative (formerly TANF Adults) and Children's Medicaid also increased significantly.

The forecasts are up primarily because redeterminations have been delayed several times over the past year, all with approval from the Centers for Medicare and Medicaid Services (CMS). The latest delay results from bringing the new eligibility system, ONE, into production between December 2015 and February 2016. Redeterminations will resume in March, although the agency is trying to speed up that process. In addition, the past use of several different systems to determine eligibility and process enrollments have created data discrepancies among the records in the different systems, making it more difficult to close cases in an automated way. The new ONE system is expected to resolve these issues, but it will take some time. The caseload forecasts have attempted to build in the timing of redeterminations over the next year. However, forecast risks will remain higher than

usual until the data has settled down over an extended period of time and there is good historical information on which to base the forecasts. Changes to the forecast are shown in more detail in the following table.

2015-17 Biennium	Adopted Budget	January 2016	Difference	% Change	$MM Difference
Medicaid Caseload Eligibility Category					
Affordable Care Act (ACA) Adults	369,084	423,678	54,594	14.8%	783.7
Parent/Caretaker Relative	48,607	57,850	9,243	19.0%	130.7
Pregnant Women	15,431	15,612	181	1.2%	5.8
Children's Medicaid Program	318,680	348,835	30,155	9.5%	154.1
Aid to Blind and Disabled	84,192	81,558	(2,634)	-3.1%	(85.1)
Old Age Assistance	41,969	42,009	40	0.1%	0.5
Foster/Adoption/BCCP	19,221	19,964	743	3.9%	8.3
Children's Health Insurance Program	66,063	62,631	(3,432)	-5.2%	(13.8)
Medicare Buy-in, CAWEM	60,369	79,774	19,405	32.1%	7.6
TOTAL	**1,023,616**	**1,131,911**	**108,295**	**10.6%**	**$991.9**
Total General Fund Impact					$84.4

The rebalance includes $7.7 million General Fund savings from actual costs per case during the first quarter of the biennium. This has been offset by the increased General Fund costs from the revised CCO rates for the first six months of the 2015-17 biennium. The rate increases totaled $17.7 million General Fund for the six months, $10 million of which was covered by inflation built into the budget, and the remaining $7.7 million was covered with the cost per case savings.

Other costs include $10.7 million General Fund over what is currently budgeted for the Medicare Part D clawback required by CMS. This represents the state's required contribution for the Part D prescription drug expenditures. Medicare Part B premiums have also increased, resulting in a General Fund need of $7.2 million. Oregon pays these premiums for clients that are eligible for both Medicare and Medicaid. Eight more Federally Qualified Health Centers (FQHCs) are moving to the alternative payment methodology where costs are paid prospectively, consistent with the idea of a global budget for CCOs. The transition to prospective payments results in a one-time cost of $3.1 million General Fund. With these eight clinics, a total of about 72% of expenditures for FQHCs have now been transitioned to the alternative payment methodology.

The rebalance plan includes a General Fund need of $20.9 million General Fund for the new ONE eligibility system. Additional refinement of operational and maintenance costs for the system have resulted in a need for $3.9 million General Fund above what is currently budgeted. The remaining $17 million represents the costs to maintain the old eligibility system for litigation purposes after the contract with Oracle expires in March 2016. There is still uncertainty over how the Oracle lawsuits will proceed, and what will be required in terms of maintaining the old system. CMS has already indicated that they will not contribute federal match toward any costs that are strictly related to litigation.

The rebalance plan includes a total of $63.4 million General Fund in HSD. This includes a $10.2 million General Fund savings resulting from an increase in the federal match rate for Oregon, and $11.8 million General Fund is freed up by an increase in the tobacco tax revenue forecast for the biennium.

In addition, $25 million of Other Funds are left over from 2013-15 and can be used for the current biennium. Settlements and drug rebate revenues are coming in about $15 million above budget and will replace General Fund. Finally, caseloads related to forensics patients living in the community went down slightly for a General Fund savings of $1.4 million.

The agency reports a need for an additional $965 million in Federal Funds expenditure limitation, primarily because of the increased caseload. An addition of $40.4 million Other Funds expenditure limitation results from the additional revenues discussed above.

The rebalance plan includes management actions to decrease costs by $25 million General Fund, all in HSD. These include an acceleration of the redetermination process next year, and a delay in fee-for-service rate adjustments. The agency is doing a thorough review of fee-for-service rates, including comparisons of various rates with Medicare and other states. Once this is completed, the agency will make decisions about adjustments for the various rates that are not tied to federal reimbursement rates. Finally the agency is increasing its attention on Program Integrity, including detection and prevention of fraud, waste, and abuse, as well as increasing recovery efforts.

OREGON STATE HOSPITAL (OSH)

The rebalance plan includes the use of debt service savings to be used to finish implementing the Avatar system, the electronic health record system at OSH. The Oregon State Hospital Replacement Project is expected to close out with a surplus of $3.7 million in bond proceeds. This will be used to pay down debt service, and free up the General Fund. The agency plans to use $2.7 million to finish implementation of the Avatar system, with the other $1 million going toward the overall agency shortfall.

Much of the Avatar system has been completed and adopted into the normal workflow processes. This includes the Clinician Work state, Lab Management, and Food and Nutrition Services. However, the Medication Management and the Billing modules have not yet been fully implemented and adopted into the workflow processes. Implementation of the medication management module will allow the use of automated dispensing of medication, as well as electronic medication administration records. A recent Secretary of State audit noted the importance of finishing this work, both from an efficiency and patient safety perspective. The Billing module will assist in more accurate and timely reimbursement requests to Medicare, Medicaid, and third party insurance providers. The agency has contracted with a company to assist with the final adoption and implementation of these parts of the system.

The rebalance plan also includes the transfer of $10 million General Fund from OSH to Statewide Assessments and Enterprise-wide Costs (SAEC). This funding was put in the OSH budget to be used for cost allocation purposes once the agency had done a thorough review of cost allocation issues within OSH and agreed with CMS on a new cost allocation plan. Once cost allocation is actually implemented, the funding will need to be in SAEC.

Although the agency believed it was too early to bring forward as a formal request, there is risk to the Oregon State Hospital budget. The Aid and Assist population at the hospital continues to grow and may ultimately result in the need to open an additional ward. The agency is in the process of implementing several investments that are expected to ease the pressure from this population, and so at this point is not requesting any funding. OSH is also closely monitoring the use of overtime,

particularly as it relates to staff use of the Federal Medical Leave Act (FMLA) leave, and may eventually request additional positions to deal with these issues.

CENTRAL AND SHARED SERVICES/STATEWIDE ASSESSMENTS AND ENTERPRISE-WIDE COSTS

The rebalance plan includes $0.6 million General Fund for mass transit costs and treasury fees that were not included in the original budget. In the future, these need to be incorporated in the budget build process.

OTHER ISSUES

The rebalance report mentions the agency estimated cost of negotiated collective bargaining agreements. Additional information will be available during the 2016 session, when the Department of Administrative Services will complete its detailed calculations for the distribution of money set aside in the Emergency Fund for this purpose.

LEGISLATIVE FISCAL OFFICE RECOMMENDATIONS

Acknowledge receipt of OHA's 2015-17 biennium financial report, with the understanding that the Legislative Fiscal Office will develop specific recommendations for legislative action during the 2016 session.

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Oregon Health Authority
MacDonald

Request: Report on the first Oregon Health Authority rebalance plan of the 2015-17 biennium.

Recommendation: Acknowledge receipt of the report.

Discussion: The Oregon Health Authority (OHA) is submitting its first rebalance plan for the 2015-17 biennium based on three months of actual expenditure information at the time of its completion. The plan consists of three general components impacting the OHA budget: 1) updated expenditure and savings projections; 2) recommended management actions; and 3) budgetary realignment and technical adjustments consistent with organizational changes undertaken by the agency.

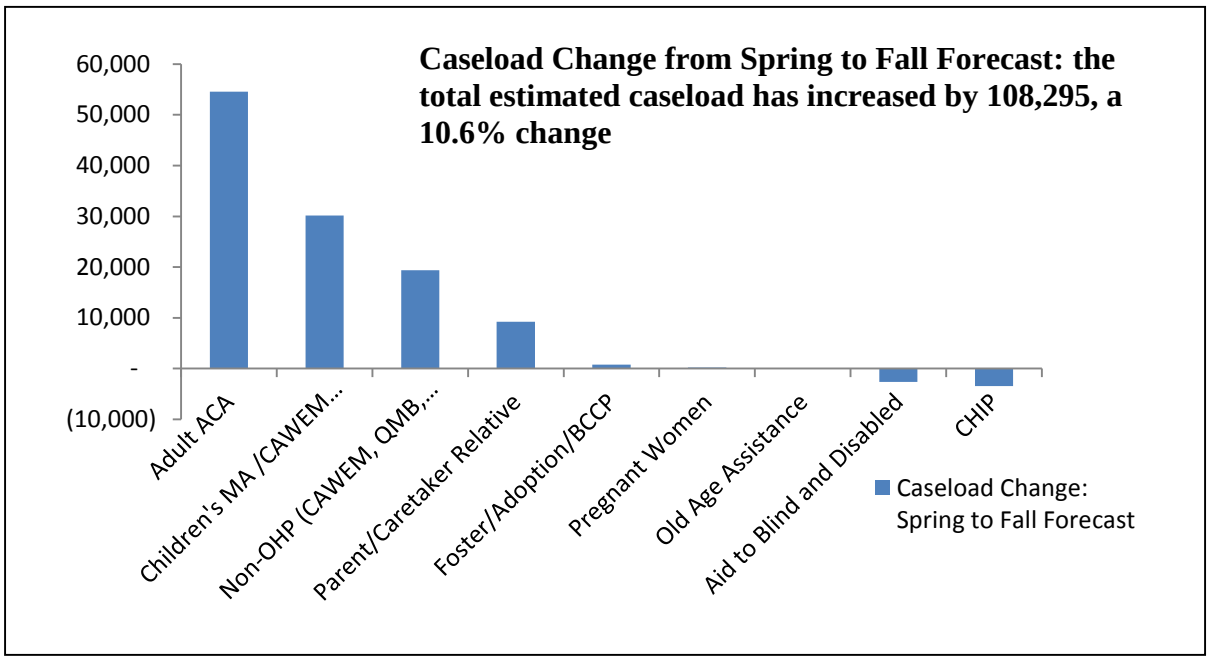
After all actions, the department reports a General Fund (GF) shortfall of $37.6 million and gross expenditure limitation shortfall of nearly $1.1 billion. The agency requests the rebalance plan to be referred for consideration to the 2016 legislative session.

Rebalance Changes	General Fund	Total Funds
2015-17 LAB	**$2,120,607,875**	**$19,466,370,129**
Costs – Caseload and Other	$126,985,914	$1,095,604,686
Savings – Revenue and Other	($64,414,627)	($2,429,626)
Savings – Management Actions	($25,000,000)	($25,000,000)
Technical Adjustments/DHS Transfers	$53,868	$160,958
Net Rebalance Costs / (Savings)	**$37,625,155**	**$1,068,336,018**
Percent Change to LAB	*1.77%*	*5.49%*

Updated Expenditure and Savings Projections

Expenditures: There are a number of issues resulting in an increase in projected GF expenditures totaling $126,985,914 GF above the Legislatively Adopted Budget (LAB) through the remainder of the biennium, the most noteworthy of which are the following:

- Caseload ($84.4 million GF cost): By far the most significant factor in the agency's projected GF shortfall is an increase in Oregon Health Plan (OHP) caseload. Compared to the Spring 2015 forecast for which the LAB is predicated, the Fall 2015 forecast is 10.6 percent higher, resulting in an increase of 108,297 in the monthly average caseload. The change in the forecast is primarily due to an increase of 54,954 for adult populations eligible under the Affordable Care Act (ACA), 30,069 for children's Medicaid categories, and 9,244 for Parent/Caretaker Relative programs (formerly known as TANF). A notable part of the overall caseload increase is attributed to a deferral in Medicaid redeterminations approved by the Centers for Medicare and Medicaid Services (CMS) pending the implementation of the ONE (OregONEligibility) Medicaid eligibility system. Although the adult population of the ACA caseload change has the largest impact on the total cost increase, it does not have as significant of an impact on GF costs as the other caseload changes do because the ACA Medicaid Expansion component is still supported by 100 percent federal funds until the Federal Medical Assistance Percentage (FMAP) begins to decrease starting calendar year 2017.



- ONE System ($20.9 million GF cost): The project to transfer Kentucky's Modified Adjusted Gross Income Medicaid eligibility system to Oregon is nearing completion. The phase one implementation of the Worker Portal was accomplished by December 15, 2015 and the phase 2 Application Portal is expected go-live in February 2016. OHA now projects implementation costs at $20.9 million GF higher than reflected in the 2015-17 budget. Most of this amount—$17 million—represents payments from OHA to the Department of Consumer and Business Services to maintain previous eligibility files as part of pending litigation after the contract with Oracle expires in March 2016. The remaining costs are directly attributed to phase 1 and 2 implementation activities of ONE.

- Medicare Part B premiums / Medicare Part D clawback: ($17.9 million GF cost): An increase in premiums and deductibles for Medicare Part B (medical insurance) is resulting in increased projected costs through the remainder of the biennium of $7.2 million GF. Additionally, in October 2015, CMS announced the state's Medicare Part D (prescription drug benefit) clawback rate for federal fiscal year 2016, resulting in an increase in Oregon's rate by 11.6 percent and additional GF costs of $10.7 million.

- FQHC payments ($3.1 million GF cost): Prior to this rebalance, 11 Federally Qualified Health Centers (FQHC) had transitioned to an Alternative Payment Methodology (APM), which results in these FQHCs being paid prospectively instead of retroactively. Consistent with the budget report for Senate Bill 5526 (2015), OHA is required to report as part of this rebalance on costs and plans for transitioning additional FQHCs to this methodology. Accordingly, OHA has calculated the costs of moving eight additional FQHCs to the new methodology to be $3.1 million GF, which represent one-time costs as part of the transitional period. This will result in a total of 19 of the existing 105 FQHCs funded by Medicaid being under the APM.

- Other ($567,468 GF cost): The rebalance reflects additional GF costs associated with state treasury fees and mass transit costs calculated by the Department of Administrative Services.

Savings: The rebalance includes several revenue-related adjustments that either increase available GF resources or help to offset GF costs for the biennium. In total, these result in GF savings of $64.4 million. The following summarizes these adjustments:

- 2013-15 carryover ($25 million GF): OHA closed the 2013-15 biennium with an Other Funds carryover, comprised mostly of tobacco tax revenue, totaling $45 million. Of this amount, $20 million was applied to the first six months of calendar year 2015 for increased costs associated with the revised rates for Coordinated Care Organizations. The remaining $25 million is available as GF savings for the 2015-17 biennium.

- Drug rebates/settlements ($15 million GF savings): Projections for drug rebates and settlements are now anticipated to result in GF savings of $15 million.

- Tobacco Tax revenue ($11.8 million GF savings): In December 2015, the Department of Administrative Services Office of Economic Analysis projected an increase of $11.8 million in tobacco tax revenue for the 2015-17 biennium. This increase offsets a like amount of GF spending.

- FMAP rate change ($10.2 million GF savings): Effective October 1, 2016, Oregon's FMAP rate will increase from 64.06 percent to 64.38 percent, thereby increasing the federal contribution and decreasing the state contribution for Oregon's Medical Assistance Programs.

- GEI caseload / Bond proceed savings ($2.4 million GF savings): A decrease in the non-Medicaid Guilty Except for Insanity (GEI) caseload of nine patients results in GF savings of $1.4 million for the remainder of the biennium. Also, OHA projects bond proceed savings of $3.7 million for the State Hospital Replacement Project. As a result of these savings, OHA proposes to use the $3.7 million to pay down debt service and redirect $2.7 million to finalize the implementation of the hospital's electronic medical records project (Avatar), which results in GF savings of $1 million. The Department of Administrative Services has confirmed this proposal meets the acceptable uses of the bond proceed savings in accordance with related rules and regulations.

Recommended Management Actions

OHA's rebalance plan also proposes taking additional steps, referred to as Management Actions, to help further offset the costs described above by an estimated $25 million. There are two essential components to OHA's Management Action proposal:

- Accelerate Medicaid redeterminations: As part of their agreements with CMS, states are typically required to reevaluate the eligibility of those enrolled in Medicaid programs at least once every 12 months or whenever a status change is reported by the member. OHA has received permission from CMS to defer redeterminations at multiple times over the past few years, particularly for implementation of Medicaid expansion under the Affordable Care Act. A deferral was last approved in August 2015 due to OHA's prioritization of resources to implement ONE. Redeterminations are now expected to resume in March 2016.

  OHA believes that by accelerating the redetermination process, GF can be saved over the remainder of the biennium through identification of enrollees who may be in different caseload categories. The exact savings estimate is difficult to project and is subject to change through OHA's ability to transition focus from the implementation of ONE to the redetermination process. Additionally, although the current savings estimate is comprised only of

redetermination savings, there may be further savings achieved by OHA's intent to ramp-up Medicaid fraud and abuse prevention activities.

- Delay FFS rate adjustment: OHA proposes delaying fee-for-service (FFS) inflationary cost increases for 12 months for services that are not otherwise tied to federal rates. This would primarily affect those providers that accept OHP open card. OHA is currently reviewing FFS rates, including a benchmark analysis of Oregon's rates compared to Medicare and other states' rates, prior to making any rate changes.

Organizational Restructuring and Technical Adjustments

Consistent with legislative discussions during the 2015-17 budget process, OHA has reorganized its programmatic structure to further integrate physical health, behavioral health, and oral health, as well as streamline health transformation activities. Due to the timing of the reorganization, the 2015-17 budget was adopted reflecting the old organizational model. The rebalance plan effectuates the budgetary changes necessary to align the budget structure with the organizational structure. Inclusive of transfers to OHA from the Department of Human Services, these changes are budget neutral and result in a net FTE increase of 9.25 and reduction of two positions. The following are the key organizational changes reflected in the rebalance plan:

- A position true-up represents an extensive departmental review of positions vis-à-vis healthcare transformation needs, Affordable Care Act implementation, and clean-up of legacy issues and of permanent staff not having position authority. The rebalance responds to this by establishing 48 permanent positions for staff who have been double-filled long-term.

- Review of limited-duration (LF) status employees and establishing 48 full-time positions where LD status for key positions had been previously utilized. This includes addressing the staffing needs in the Office of Equity and Inclusion as required by a budget note in Senate Bill 5526 (2015).

- Medical Assistance Programs and Addictions and Mental Health are now integrated in the new Health Systems Division.

- Oregon State Hospital now has its own budget structure.

- Health Licensing Office is now included in Public Health.

- Office of Equity and Inclusion (OEI) moved from Health Policy and Analytics to Central Services but continues to operate as a functional division

Looking Forward – Risks and Opportunities

The rebalance plan does not include personnel cost adjustments related to collective bargaining agreements occurring after implementation of the 2015-17 budget process. As with other state agencies, budgetary adjustments for this purpose will be calculated and proposed by the Department of Administrative Services as part of the February 2016 legislative session. Additionally, OHA acknowledges several important risks as part of its rebalance, including: a growing Aid and Assist population at OSH; upward pressure on the use of overtime at OSH; prescription drug costs; the outcome of pending litigation; and the predictability of Medicaid caseload levels due to deferral of redeterminations and transitioning eligibility systems. Regarding OHP caseload, the significant increase of the adult ACA population will need to be monitored. Notwithstanding the potential impact redeterminations will have on this population, the impact on GF costs from the increase in caseload pursuant to Medicaid Expansion will be more significant

beyond the current biennium as the Medicaid Expansion FMAP decreases to its floor rate of 90 percent in calendar year 2020.

Although caseload predictability remains a risk, OHA is also on the cusp of an important opportunity with how Medicaid caseloads are monitored and estimated. With the pending implementation of ONE and interim reliance on legacy systems, the level of accuracy with tracking caseloads has been constrained. Once ONE is implemented, there should be more integrity in the connection of caseload monitoring/estimating to the budget development process. Likewise, the amount of savings reflected in this rebalance could further change depending on the start date and volume of the redeterminations, as well as the extent to which increased fraud and abuse prevention activities yield results beyond current efforts.

OFFICE OF THE DIRECTOR
Kate Brown, Governor

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December 7, 2015

The Honorable Senator Richard Devlin, Co-Chair
The Honorable Representative Peter Buckley, Co-Chair
Interim Joint Committee on Ways and Means
900 Court St, NE
H-178 State Capitol
Salem, OR 97301

Re: Oregon Health Authority (OHA) 2013-15 close out, and 2015-2017 Budget Rebalance Report

Dear Co-Chairpersons:

NATURE OF REQUEST

The Oregon Health Authority (OHA) requests receipt of this letter as report for the close out of the 2013-2015 biennium, and a rebalance of the 2015-2017 biennial budget. OHA requests referral of the report to the 2016 Legislative Assembly. The Agency closed the 2013-15 budget within budget authority allowing for carry-forward of Other Funds available in for the 2015-17 budget period. However, the Agency is projecting a budget challenge for the 2015-17 budget and proposes to use this available funding to offset some of the projected need. The details of the financial status are outlined below. (See Atttachment A for statutory changes.)

2013 – 2015 Closeout

The Agency successfully closed the 2013-2015 budget within the legislatively approved budget levels as approved in May of 2015. Within the Agency's central appropriation, interest savings from the loan that OHA generally needs from the State Treasury were offset by an increase in cost allocation charges of shared services. Additionally, the Agency had a General Fund reversion within the Debt Service Appropriation of approximately $0.5 million due to non-issuance of the last series of bonds for the Oregon State Hospital replacement project that weren't necessary. Lastly, the Agency had an Other Fund carryover of approximately $45 million (primarily tobacco tax revenues) which were partly applied to the first six months of the revised 2015 calendar year Coordinated Care

Organization (CCO) rate, and the balance ($25 million) are proposed as savings to the General Fund challenge for the 2015-2017 biennium.

2015 -2017 Restructuring

When the Oregon Health Authority budget was adopted by the Legislative Assembly, the budgetary appropriations and authority was aligned with the 2013-2015 OHA organizational structure. In response to legislative requests, and as reported in the OHA Ways and Means presentations, OHA has undertaken an organizational and functional realignment designed to bring further integration of behavioral health, oral health and physical health, promoting community health and wellness, modernizing our Public Health system, and helping adults with mental illness live successfully in the community of their choice. All of these efforts are aimed at ensuring Oregon has a health system that is financially sustainable, and provides our population with better health at an affordable cost.

Effective as of the beginning of the biennium, in addition to the OHA Director's Office, OHA has restructured into the following seven functional divisions and is proposing to align the budget structure and positions (see Attachment A for statutory changes):

- *Financial and Operations*
- *Office of Equity and Inclusion (OEI)*
- *External Relations*
- *Health Systems*
- *Health Policy and Analytics*
- *Public Health*
- *Oregon State Hospital*

The budget report for Senate Bill 5526 (2015) required the agency to report on the realignment of agency positions, specifically the staffing plan to eliminate limited duration (LD) positions within the Office of Equity and Inclusion (OEI) and other divisions where LD positions had been used for on-going functions and priorities This alignment is outlined in a management action and permanent finance plan (PFP). This PFP establishes permanent full-time positions for 48 staff that have been double-filled long-term, and determined to be a priority for on-going work by the Agency leadership, and establishes an additional 48 permanent full time positions where LD status had been previously utilized. The PFP ultimately resulted in the Agency needing two fewer positions in the overall agency budget.

At the start of the 2013-15 biennium, the OEI had nine permanent positions, however it was staffed by 20 persons. This was increased by two positions during 2013-15 biennium

at the December 2014 Rebalance, and two more positions were approved as a part of Policy Option Package 401 for REAL+D (race, ethnicity, and language, plus disabilities) work. The Agency position true up and restructuring brings the total position count with OEI to 24. The OEI presently has 18 staff persons.

This agency alignment of positions does not include the OHA Shared Services -Office of Information Services (OIS) for both OHA and the Department of Human Services (DHS) or the Oregon State Hospital (OSH). As a shared service with the DHS, any changes or alignment of positions in OIS is managed through the governance structure between the two agencies, and would have to be addressed jointly. Alignment of positions (including LDs) within OSH is being reviewed and analyzed as a part of an entire staffing study that OHA has hired an outside consultant to analyze, review for best practices, and make recommendations. Initial recommendations of this study are expected by January, and the Agency will report on the findings at that time.

After accounting for a variety of other internal management actions and technical adjustments (that are budget neutral) necessary to move positions and other resources across divisions, the tables below illustrate the OHA budget as originally adopted (Table 1), and how the functional restructuring changes the OHA budget. The restructured budget (Table 2) will become the basis of the OHA Budget for the rebalance actions and going forward.

TABLE 1

2015-17 LEGISLATIVELY ADOPTED BUDGET				
$$, in millions	General Fund	Total Funds	Pos.	FTE
Central Services	$ 13.4	$ 22.2	69	67.43
Shared Services	$ -	$ 137.8	482	465.18
State Assessments	$ 81.3	$ 167.2	-	-
Addictions & Mental Health	$ 782.7	$ 1,172.6	2,393	2,384.97
Public Health	$ 42.2	$ 606.9	753	728.42
Medical Assistance Program	$ 1,111.7	$ 13,694.9	518	509.35
Public Employee Benefit Board	$ -	$ 1,783.6	22	21.50
Oregon Educators Benefit Board	$ -	$ 1,557.8	25	25.00
Private Health Partnership	$ -	$ 104.2	-	-
Health Policy Programs	$ 19.4	$ 137.5	132	125.88
Health Licensing Office	$ -	$ 7.2	34	33.28
Capital Improvement	$ 0.7	$ 1.4	-	-
Debt Services	$ 69.2	$ 73.1	-	-
Total OHA	$ 2,120.6	$ 19,466.4	4,428	4,361.01

2015-2017 OHA budget as restructured:

TABLE 2

2015 - 2017 LEGISLATIVELY ADOPTED BUDGET - POST OHA RESTRUCTURE				
$$, in millions	General Fund	Total Funds	Pos.	FTE
Central Office				
Director's Office	**$ 0.5**	**$ 1.1**	**4**	**4.00**
Fiscal and Operations*	**$ 162.9**	**$ 398.4**	**538**	**519.61**
External Affairs	**$ 1.8**	**$ 3.4**	**14**	**14.00**
Office of Equity and Inclusion	**$ 2.0**	**$ 5.7**	**15**	**14.39**
Health Systems	**$ 1,452.6**	**$ 14,458.4**	**631**	**621.42**
Health Policy and Analytics**	**$ 19.0**	**$ 3,474.6**	**170**	**162.99**
Public Health	**$ 42.6**	**$ 614.2**	**789**	**763.70**
Oregon State Hospital	**$ 439.2**	**$ 510.7**	**2,267**	**2,260.90**
Total OHA	**$ 2,120.6**	**$ 19,466.4**	**4,428**	**4,361.01**

*Fiscal and Operations includes all Shared Services, State Assessment & Enterprise-wide Charges, and debt service
**Health Policy and Analytics includes $1,773.1 million for PEBB and $1,544.6 million for OEBB, which both have separate appropriations.

Major Rebalance Drivers

With three months of actual expenditure data and caseload projections updated for the 2015–2017 biennium, the agency is projecting an estimated $37.6 million General Fund (GF) shortfall, primarily due to increased costs associated with the Oregon Health Plan (OHP) caseload forecasts. The financial status for the OHA Rebalance is comprised of:

Cost changes relative to the 2015 - 2017 Need/ (Savings)	General/Lottery Fund Need/(Savings)	Other Fund Need/(Savings)	Federal Fund Need/(Savings)	Total Fund Need/(Savings)	Pos.	FTE
OHP Caseload Fall Forecast	$ 84,421,242	$ -	$ 907,462,116	$ 991,883,358		
HSD Medicare Part D Clawback rate change	$ 10,732,488	$ -	$ -	$ 10,732,488		
HSD FQHC move to APM	$ 3,119,763	$ -	$ 9,359,288	$ 12,479,051		
HSD Medicare Part B Premium increases	$ 7,212,981	$ -	$ 13,964,949	$ 21,177,930		
HSD Implementation of ONE system	$ 20,931,972	$ -	$ 37,063,476	$ 57,995,448		
PHD Federal Grants/ new/supplementals/TPEP	$ -	$ 354,831	$ 730,900	$ 1,085,731	6	3.68
Assessments/ treasury fees/mass transit	$ 567,468	$ (402,020)	$ 85,232	$ 250,680		
Technical adjustments/transfers from DHS	$ 53,868	$ 42,646	$ 64,444	$ 160,958	14	8.57
Total Challenges/ Requests	**$ 127,039,782**	**$ (4,543)**	**$ 968,730,405**	**$ 1,095,765,644**	**20**	**12.25**
Savings and Management Actions						
Tobacco Tax Revenue/ Fall forecast	$ (11,806,296)	$ 11,806,296	$ -	$ -		
FMAP rate change	$ (10,178,705)	$ (601,620)	$ 10,780,325	$ -		
GEI Caseload savings (Fall forecast)	$ (1,429,626)	$ -	$ -	$ (1,429,626)		
Debt Service savings to AVATAR (BHIP)	$ (1,000,000)	$ -	$ -	$ (1,000,000)		
Increased revenues drug rebates/settlements	$ (15,000,000)	$ 15,000,000	$ -	$ -		
13-15 O/F carryover into 15-17	$ (25,000,000)	$ 25,000,000	$ -	$ -		
Delay FFS incr./ accelerate eligibility efforts/ and implement fraud prevention efforts	$ (25,000,000)	$ -	$ -	$ (25,000,000)		
Agency position true up of D/F and LDs	$ -	$ -	$ -	$ -	(2)	9.25
Net Savings and Mgmt Actions	**$ (89,414,627)**	**$ 51,204,676**	**$ 10,780,325**	**$ (27,429,626)**	**(2)**	**9.25**
Net OHA Change:	**$ 37,625,155**	**$ 51,200,133**	**$ 979,510,730**	**$ 1,068,336,018**	**18**	**21.50**

Health Systems Division

Oregon Health Plan Caseload Forecast

The General Fund (GF) changes resulting from the revised 2015 calendar year CCO rates were approximately $37.7 million. OHA applied $20 million of the 2013-15 Other Fund (OF) carryover to the first six months. The balance of $17.7 million rate revision is accounted for within the base budget for 2015-2017 by the inflation factor ($10 million) along with a per-member-per-month savings offset during the first 3 months of another $7.7 million.

The Fall 2015 forecast is 9.6% higher overall (a biennial monthly average increase of 108,297 clients) when compared to the Spring 2015 caseload which set the base for the 2015-17 budget. There are primarily three categories of the OHP caseload that account for the increase: ACA Adults (which increased by 54,594 clients), Parent/Caretaker relatives (formerly TANF Adults increased by 9,244), children's Medicaid categories (increased by 30,069 and primarily within ages 6-18). Attachments C & D show the OHP caseload trend, the isolation of change for all categories, and the projected fund impact for the biennium.

For the past few forecasts, the hybrid eligibility and enrollment process, along with decisions to delay some closures of client enrollments, has influenced the reliability of the data available for forecasting the overall OHP caseload and caseload characteristics, and the corresponding categories for which clients are assumed to be placed, since implementation of Medicaid Expansion.

OHA acknowledges that the failure of the Cover Oregon Siebel system has exacerbated the fragmentation of data between Cover Oregon Siebel, OHA Siebel, and the Client Maintenance System. Additionally, external pressures of postponing closures, continuing (or adding) of benefits, and policy considerations in the past have all had a direct impact on the integrity of the data in the Medicaid Management Information System (MMIS) that ultimately makes up the OHP caseload.

Going forward, the OHA Director will convene a strategy team consisting of policy, business analysts, OHP operations, and budget staff to review, analyze and develop options for any further considerations or decisions that can better inform the development of the caseload forecast.

MAGI Medicaid System Transfer Project – ONE System

OHA is transferring a functional Modified Adjusted Gross Income (MAGI) Medicaid eligibility determination system from the State of Kentucky called Kynect. Oregon's system is called OregONEligibility or ONE and will be implemented in two phases. The

first phase will implement a Worker Portal on December 15th, 2015. The consumer facing portion of the system, called Applicant Portal, is scheduled to go live in February 2016.

Implementation costs were estimated during the budget development and initial investments were included in the 2015-17 biennial budget. Since then, the implementation budget has been refined and the rebalance plan includes $58.0 million total funds ($20.9 million GF). This includes the amount projected to get ONE implemented however there is still risk associated with the costs of the pending litigation. The federal funds of the implementation have been approved through an Advanced Planning Document (APD) with CMS.

Client information related to current OHP clients will be entered into ONE through the Worker Portal rather than converting current data from the multiple source systems. This will be a manually intensive process, but will allow OHA to correct for any data quality issues and ensure client confidentiality. Leading up to the implementation of ONE, OHA has received CMS approval to defer OHP re-determinations to focus on implementation efforts. The CMS approval is built into the rebalance plan; without compromising the implementation of ONE.

Within the rebalance, $17.0 million of the $20.9 million mentioned above, represents the estimated cost of storing and maintaining the previous eligibility system. Because of pending litigation, it is necessary for the old eligibility system to remain in place. The cost estimate is based on the current costs for which OHA has enough funding for till March 2016.

Other Budget Impacts/Changes

As requested during the SB 5526 (2015) budget process, OHA has calculated the costs associated with moving eight additional Federally Qualified Health Centers (FQHCs) to the Alternative Payment Methodology (APM) rather than being paid by a payment rate per service, per visit, for clients on a fee-for service. The primary difference in these methods are that clinics are paid in advance, rather than arrears. The 2015-17 GF budgetary impact is projected to be $3.1 million, and $12.4 million total funds. Currently 11 FQHCs have transitioned to the APM, this action a total of 19 clinics will be paid on a prospective per member per month basis allowing for more coordination of care and fiscal sustainability.

In October, the Center for Medicare and Medicaid Services (CMS) announced the state's Medicare Part D clawback contribution for the next federal fiscal year. The clawback represents the state's portion of Medicare Part D per capita drug expenditures, and is calculated per the Medicare Prescription Drug Improvement and Modernization Act of

2003. These adjustments increase Oregon's rate by 11.61% with a GF impact of $10.7 million.

Additionally, increases in premiums and deductibles for Medicare Part B for the remainder of the biennium are projected to cost $7.2 million GF, and $21.2 million total funds based on current projections from the Department of Health and Human Services. These increases were limited by the federal Bipartisan Budget Act of 2015 under the Social Security Act's hold-harmless provision through calendar year 2017.

Updated Federal and Other Funds Revenue projections

The Federal Funds Information Services issued an update to the federal Medical Assistance Percentage (FMAP) which resulted in an increase of federal funding for Title XIX and Title XXI program expenditures. This results in state fund savings to OHP by $10.1 million GF, and approximately $0.6 million in Other Funds.

For the Health Services Division, the December 2015 economic forecast also indicates a change in Tobacco Tax revenues (See attachment E) for which the OHP GF budget is decreased by $11.8 million. Other revenues such as drug rebates and settlements, are projected to bring in approximately $15 million more than originally budgeted. Lastly, the $25 million Other Fund balance of the 2013-15 carry-forward referenced earlier is applied as a savings to the OHP budget.

Public Health Division

With the newly awarded oral health, prescription drug overdose prevention, and building data exchange processes, and a supplemental to the epidemiology and laboratory capacity grants, the Public Health (PH) budget is increased by $0.7 million Federal Funds limitation, and six limited duration positions (3.68 FTE). All new grants received permission to apply in previous Joint Subcommittee on Ways and Means.

Other Funds in the Tobacco Prevention and Education Program (TPEP) is adjusted by $0.35 million to reflect the change in revenues for the Tobacco Use Reduction Account (TURA).

The PH Medical Marijuana Program (OMMP) Other Fund ending balance is projected to be approximately $2 million. This revenue may be needed with start-up and implementation costs associated with House Bill 5047 (recreational marijuana) and therefore not included in this rebalance plan.

Oregon State Hospital

For the 2015-17 biennium, the Oregon State Hospital Replacement Project is projecting a savings of $3.7 million. The Agency proposes using the bond proceed savings in this rebalance plan to pay down debt service, and allow the Agency to redirect $2.7 million of GF debt service to finalize the implementation of AVATAR- the Electronic Health Record within OSH (previously referred to as the Behavioral Health Integration Project- BHIP). The remaining $1.0 million GF is accounted for as an overall savings to the OHA rebalance.

Although, this rebalance plan does not propose other changes to Oregon State Hospital (OSH) budget, there have been some operational challenges. As discussed during the 2015 Legislative Session, the Hospital continues to see an increase in the Aid and Assist population. To offset this increase, there has been a decrease in civil commitments at the hospital however this increase is not sustainable.

For a more long term solution, OHA is in the process of implementing the House Bill 2490 investment. This legislative investment from the 2015 Session provides support to the counties with the highest referrals of Aid and Assist patients to the Hospital by funding restoration services and periodic assessment of a defendant's capacity to stand trial while the defendant resides in the community. Implementation is scheduled for January of 2016 as outlined in the investment package. OHA will continue monitor the Aid and Assist census once the community investment is implemented.

Additionally, the 2015-17 budget for the Hospital included a reduced level of staff overtime compared to the previous actual overtime costs, including the overtime incurred when employees call out. The Hospital is monitoring overtime use however, is not realizing the reductions which are included in the budget. After additional analysis to determine the drivers for the use of overtime, OSH realized the use of OFLA/FMLA leave is a significant driver and projected a potential need for additional positions to provide the needed coverage. OHA expects to have initial recommendations of the overall position impact for OSH in January.

Assessments and Shared Services

The OHA rebalance adjusts the state assessments GF budget by $.5 million for the amount of state treasury fees, and mass transit tax associated with OF shared services positions. OHA included this in December 2014, but will need to have this corrected as an exception in the budget build process for 2017-2019.

Management Actions

OHA has estimated $25 million of mitigation efforts that can be undertaken to address the GF shortfall. These efforts include a delay in implementing fee for service rate adjustments not otherwise tied to federal reimbursement rates, and to accelerate the schedule of redeterminations after the ONE system is implemented. Additionally, OHA is increasing focus and attention on Program Integrity, which includes detecting and preventing fraud, waste and abuse and increasing recovery efforts.

The Agency will continue to explore options to further reduce the GF shortfall and plans to return during the February 2016 Legislative Session for consideration. OHA will keep the Legislative Fiscal Office and the Department of Administrative Services, Chief Financial Office informed of any additional options in the interim.

Other Agency budget corrections and technical adjustments that are neutral to the OHA budget are included in the rebalance that move limitation, positions or General Fund within OHA budget structures or to the Central Services and Shared Services budget.

Collective bargaining/salary pot distribution and estimates

With the collective bargaining agreements settled, OHA has estimated the GF and TF budgetary impact for 2015-17. These amounts may differ from the statewide distribution that the Department of Administrative Services proposes. The impact for OHA is estimated to be $28.2 million GF and $49.4 million total funds (TF). It is important to note that historically, more than 80% of the OHA GF staffing costs are associated with positions at the Oregon State Hospital.

While a portion of the Federal Fund impact will materialize as an administrative match from Medicaid related positions, other programs with positions that are funded with categorically capped grants may have to make management decisions of how to remain in balance with their grants. The same circumstance would apply to programs with Other Fund positions but for which revenues or ending cash balance may not be sufficient. At this point, OHA is not including this amount in the rebalance proposal as the salary pot distribution will happen through a statewide process.

Risk factors, challenges and outstanding issues with this Rebalance Plan

The OHA rebalance report provides the known details associated with the OHA 2015-2017 budget. Major challenges the OHA will continue to monitor and maximize options for include:

- While the economy continues to improve, caseloads are always the major driver of costs in the OHA budget. OHA budget remains at risk to changes to employment volatility, as well as jobs for people with access to affordable health care. Additionally, with a number of program changes and process adjustments that have occurred in the past two years, forecasters have had to make some data assumptions around caseload characteristics. Once caseload eligibility and redetermination processes normalize in 2016, OHA expects to have better data available to inform the caseload forecast.
- The rebalance plan does not include funding related to outstanding litigation that involve OHA. There are a number of outcomes related to the lawsuits that OHA, in consultation with the Department of Justice, is reviewing.
- During the 2015-2017 budget development, SB 5526 included an investment to partially restore dental services for adult OHP clients, which had been previously removed from the benefit package due to the budget constraints prior to the Medicaid expansion. The investment amount was estimated during the Legislative session, and projected to be included in the 2016 CCO rates. However, due to CCO rate development deadlines and the need to have further discussion and definition around the specific services covered (including which dental materials), the increased benefit was not included in the 2016 CCO rates. OHA continues to have discussions with stakeholders on a potential rate amendment, but no final decision has been reached. This will likely have a budget impact once more is known, however, there are no proposed budget adjustments included in this rebalance plan.
- OHA is also monitoring prescription drugs costs. There has been a lot of discussion around the costs associated with hepatitis C treatments, and other breakthrough therapies, however the cost trend associated with the all prescription drugs, including generic drugs, have been increasing. The Agency is exploring alternatives and recently met with the Washington Health Authority to discuss this issue.
- Changes in federal policy may create risks to the program budgets. The specific impacts going into 2017 may not be known until late in the biennium.
- Tobacco Tax revenues have historically fluctuated, increasing and decreasing widely and affects the Tobacco Tax revenues anticipated to fund the OHP and non-Medicaid programs. Because these forecasts are volatile, there continues to be risk to the expected level of Tobacco Tax revenues assumed in this financial update.

ACTION REQUESTED

Acknowledgement of OHA's 2015-2017 Rebalance Report and referral of the report to the Legislative Assembly is requested.

LEGISLATION AFFECTED

See Attachment A for statutory changes.

Sincerely,

Lynne Saxton

William J. Coulombe

Lynne Saxton
Director

William J. Coulombe
Budget Director

Enc: A- Legislation Affected
B- OHA Functional restructure for 2015-2017
C & D OHP Caseload changes, and isolation of costs
E- Tobacco Tax Forecast change

CC: Linda Ames, Legislative Fiscal Office
Tom MacDonald, Budget Analyst, DAS/CFO

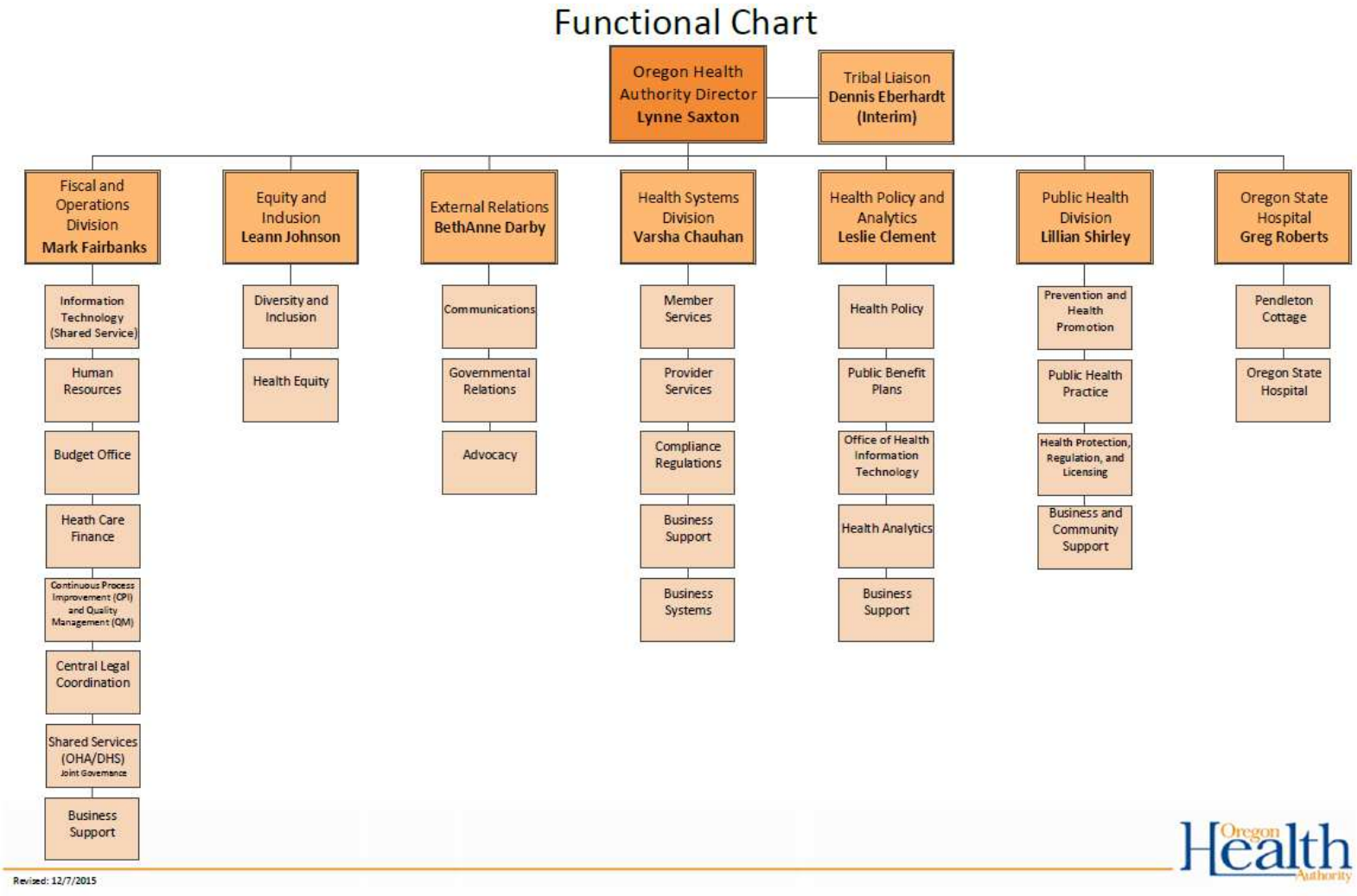
OREGON HEALTH AUTHORITY ATTACHMENT A

2015-17 January/February 2016 Rebalance Actions

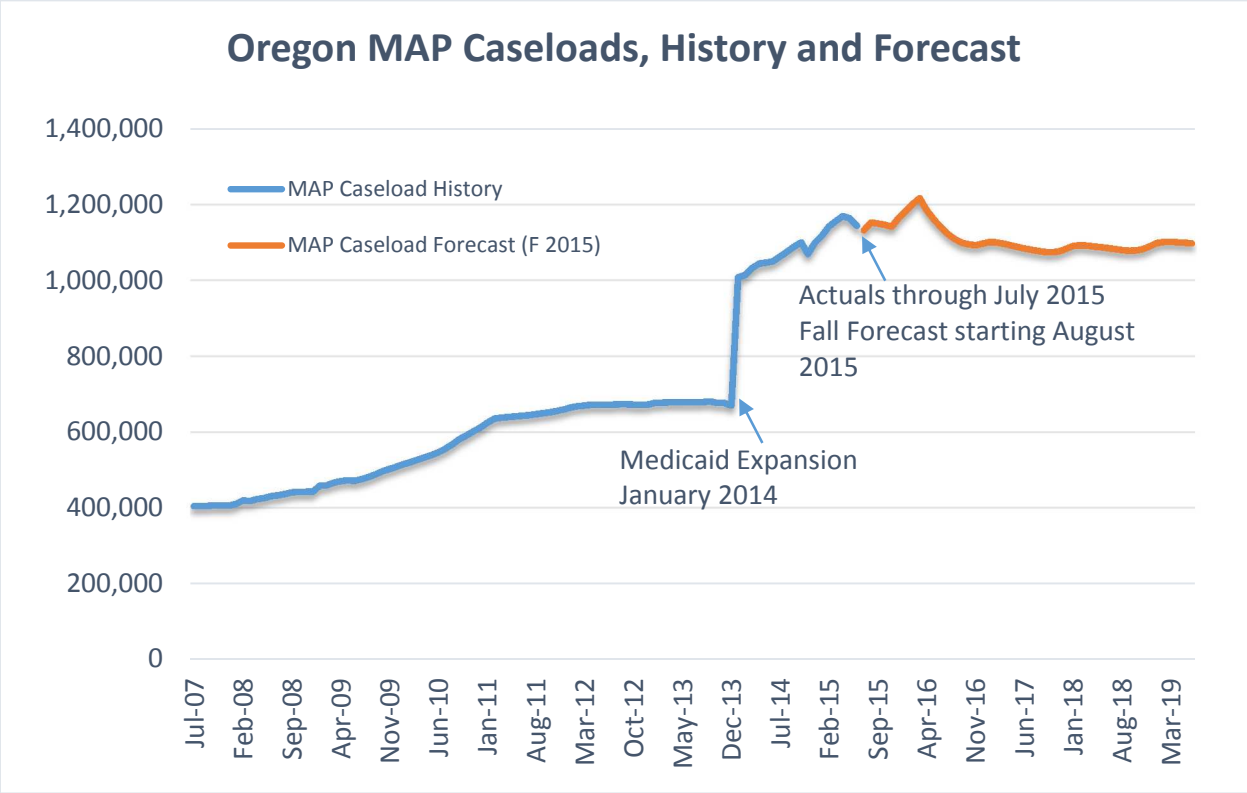
STATUTORY CHANGES IN APPROPRIATION AND LIMITATION ADJUSTMENTS

DIVISION	PROPOSED LEGISLATION/ SECTION	FUND	REBALANCE ADJUSTMENTS	Appr #
Central Services/SAEC	ch 838 1(2)	General	19,987,404	87401
	ch 838 2(2)	Other	6,018,111	34401
	ch 838 4(2)	Federal	16,221,662	64401
		Total	42,227,177	
Debt Service	ch 838 1(4)	GF -Debt	(3,689,503)	85801
	ch 838 2(4)	OF-Debt-Ltd	3,689,503	35802
	ch 838 5(2)	FF NL - Debt	-	63801
		Total	-	
Shared Services	ch 838 2(3)	Other	2,476,808	34402
		Total	2,476,808	
OHA Health Services Programs	ch 537 (21)	General	(3,094)	87810
	ch 669 (18a)	General	(552,592)	87814
	ch 725 (3)	General	(300,000)	87818
	ch 740 (6)	General	(106,320)	87809
	ch 786 (17)	General	(87,673)	87815
	ch 791 (2)	General	(200,000)	87811
	ch 793 (4)	General	(216,365)	87813
	ch 800 (4)	Other	(631,544)	34812
	ch 800 (5)	Other	(219,256)	34813
	ch 829 (4)	General	(180,000)	87817
	ch 838 1(1)	General	23,311,574	87801
	ch 838 1(3)	GF Cap Imp	-	81001
	ch 838, 3	Lottery Funds	-	44801
	ch 838 2(1)	Other	39,866,511	34801
	ch 838 2(5)	OF Cap Imp	-	34811
	ch 838 4(1)	Federal	963,289,068	64801
	ch 838 (6)	Other PEBB Revolving Fund	-	34804
	ch. 838 (7)	Other OEBB Revolving Fund	-	34805
	ch 838 5(1)	Other, Non-Limited PH	-	32801
	ch 838 5(7)	Other, Non-Limited OMIP	-	32807
	ch 838 5(1)	Federal, Non-Limited PH	-	62801
	ch 842 (1)	General	(100,000)	87812
	ch 845 (3)	General	(238,276)	87816
		Total	1,023,632,033	

Attachment B – OHA Restructure for 2015 - 2017



ATTACHMENT C- Medical Assistance Program Caseload



With the failure of the Cover Oregon system, OHA had to rely upon capturing data from three separate systems: Cover Oregon Siebel, OHA Siebel, and the Client Mantenance system. Each of these systems have been controlled and managed separately, and has illustrated the challenges of information exchange between these systems. In some instances, the communication of data between systems may have led to the overriding/changing the status of identifiers used from one system to the next. The OHP Forecast is based upon data from the Medicaid Management Information System (MMIS), and it is becoming increasing unreliable to determine and forecast movement between eligibility categories, or off the OHP caseload. Once the ONE system is implemented in early 2016 and has been operational for an ongoing period of time, OHA will be better able to deliver quality information and trends related to the movement between categories to inform the caseload forecast.

Attachment D

ISOLATION OF COSTS CHANGES IN HSD CASELOAD

15-17 LAB Compared to Fall 15 Rebalance

Eligibility Category	15-17 Caseload at LAB	15-17 Caseload at Rebalance	Difference Problem/ (Savings)	% of Change	Change Problem/ (Savings) in Millions
Affordable Care Act (ACA)	369,084	423,678	54,594	12.89%	$783.7
Parent/Caretaker Relative	48,607	57,850	9,244	15.98%	$130.7
Pregnant Women	15,431	15,612	181	1.16%	$5.8
Children's Medicaid Program	316,500	346,569	30,069	8.68%	$151.5
Aid to Blind and Disabled	84,192	81,558	(2,634)	-3.23%	($85.1)
Old Age Assistance	41,969	42,009	39	0.09%	$0.5
Foster/Adoption/BCCP	19,221	19,964	744	3.72%	$8.3
Children's Health Insurance Program	66,063	62,631	(3,432)	-5.48%	($13.8)
Non-OHP (CAWEM,QMB, OSIP)	60,369	79,774	19,406	24.33%	$7.6
CAWEM Prenatal	2,180	2,266	86	3.80%	$2.5
Total	1,023,615	1,131,911	108,297	9.57%	$991.9
General Fund Impact:					$84.4

Attachment E- Fall Forecast change in Tobacco Tax Revenues