

HB 5100 Unspecified Reductions
Agency: Department of Human Services
Appropriation: Office of Medical Assistance Programs (OMAP)

Program Description by Appropriation	Impact of reduction	Date Implemented	2001-03 Fiscal Impact						2003-05 Fiscal Impact					
			General Fund	Lott-ery Funds	Other Funds	Federal Funds	Total Funds	FTE	General Fund	Lott-ery Funds	Other Funds	Federal Funds	Total Funds	FTE
Across-the-Board Reductions (\$88 Million Target)														
Central administrative staff reductions			(25,064)		(11,184)	(58,616)	(94,864)	(0.99)	(75,192)	-	(33,552)	(175,848)	(284,592)	(3.00)
Eliminate Medicaid Long-Term Care for clients receiving in-home hourly and 24 hour care services in survival priority levels 5-17. If a client is eligible for SPD's Long-Term Care Cases, then they are also eligible for Medicaid. This savings assumes a total of 7,052 will lose Medicaid eligibility. Implementation date is February 2003.	By reducing the levels, there will be saving in OMAP. Over the remaining 5 months, approximately 5,100 clients are expected to return to Long-term Care services and would therefore regain their Medicaid eligibility.	2/1/03	(5,564,743)			(8,402,985)	(13,967,728)		(31,518,703)			(47,594,507)	(79,113,210)	
Eliminate General Assistance Program for approximately 2700 clients with a long-term disability. Implementation date is February 2003.	This program provides cash grants and Medicaid coverage to individuals who are unable to work because of long-term disability. It is assumed that all of the General Assistance clients will be eligible for Medicaid due to their income. The savings results from clients moving to the OHP Standard benefit package.	2/1/03	(762,718)			(1,151,735)	(1,914,453)		(5,333,105)			(8,053,203)	(13,386,308)	
Eliminate balance of Oregon Project Independence (OPI) for the remainder of the biennium. Implementation date: February 2003.	OPI is a state funded program providing long-term care services to low-income people age 60 and older not receiving Medicaid services. In-home services will be eliminated to approximately 1,800 clients currently receiving OPI. The program's original intent was to keep seniors in their own homes instead of an institutional setting. 5% of the clients are expected to return as Medicaid cases; therefore this SPD reduction results in a cost to OMAP.	2/1/03	75,467			113,958	189,425		427,446			645,460	1,072,906	

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Eliminate remaining Dental benefits for OHP Standard population. March 2003.	Approximately 118,000 clients in OHP Standard will lose eligibility for the remainder of the dental benefit package (currently at 50% of the value of the dental benefit package for OHP Plus clients). Consequences: there will be some limited cost shift, primarily to emergency rooms, for dental emergencies and dental pain.	3/1/03	(2,561,602)			(3,868,121)	(6,429,723)		(18,168,989)			(27,435,903)	(45,604,892)	
Eliminate coverage of remaining durable medical equipment and supplies for OHP Standard population. Implementation date: March 2003	Approximately 118,000 clients in OHP Standard will lose eligibility for the limited Durable Medical Equipment benefits currently in OHP Standard (supplies for chronic medical conditions such as diabetes, and some inhalation therapy supplies.) Consequences: there will be some cost shift to physician and hospital care costs as a result of inadequate treatment for these chronic diseases.	3/1/03	(137,216)			(207,202)	(344,418)		(1,124,617)			(1,698,218)	(2,822,835)	
Eliminate the requirement to reimburse Type B hospital at 100% of their costs and align the reimbursement methodology with the one used to pay larger hospitals. Implementation date: March 1, 2003. A two month lag in savings is assumed due to claim processing. <u>Requires a statutory change.</u>	Hospitals with less than 50 beds in rural areas will see a reimbursement decrease. Impacts only fee-for-service. This action will impact about 20 hospitals.	3/1/03	(840,651)			(1,269,417)	(2,110,068)		(5,951,811)			(8,987,474)	(14,939,285)	
Eliminate the requirement to reimburse Type A hospital at 100% of their costs and align the reimbursement methodology with the one used to pay larger hospitals. Implementation date is March 1, 2003. A two month lag in savings is assumed due to claim processing. <u>Requires a statutory change.</u>	Hospitals with less than 50 beds in rural areas will see a reimbursement decrease. Impacts only fee-for-service. This action will impact about 11 hospitals.	3/1/03	(344,720)			(520,541)	(865,261)		(2,440,620)			(3,685,434)	(6,126,054)	

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Delay expansion of OHP Standard population up to 110% FPL until July 2003. Currently only Adult/Couples and Families below 100% of FPL are eligible for OHP.	Persons in need of health care services will have their access delayed.	7/1/03	(1,263,647)		96,740	(2,723,589)	(3,890,496)							
Eliminate Chemical Dependency benefit for OHP Standard population. Implementation date: March 2003	Approximately 118,000 clients in OHP Standard will lose eligibility for Chemical Dependency services. Consequences: there will be some cost shift to physician and hospital care to deal with medical emergencies as a result of this elimination of chemical dependency treatment	3/1/03	(2,154,724)			(3,253,720)	(5,408,444)		(17,609,023)			(26,590,332)	(44,199,355)	
Reductions to this point are insufficient to reach the target for OMAP. The remaining \$8.8 million GF cannot be reached without reducing benefits. A request will be made to the Federal government to move the line on the prioritized list of services. To reach this amount of savings, the line would have to be moved from 558 to 507 on the prioritized list of health services. This would affect all OHP and CHIP eligibles, approximately 438,000 clients. Conditions to be eliminated include treatable cancers, some mental health services, vision care, and many dental services for the OHP Plus population.	Treatment for conditions on the prioritized list between lines 558 and 507 will no longer be covered. Some conditions that will no longer be covered are some treatable cancers, hernia repair, treatment for impacted teeth, treatment for bone fractures that don't heal on their own and surgical repair of ligament damage of the knee.	3/1/03	(8,751,110)			(13,252,376)	(22,003,486)		(62,135,315)			(93,826,821)	(155,962,136)	

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<p>If line movement is not approved by the Federal government, the pharmacy benefit for OHP Standard population would be eliminated. Approximately 118,000 clients in OHP Standard will lose eligibility for all prescription drugs.</p> <p>Consequences: there will be some cost shift to physician care, emergency rooms, and hospital care as a result of medical conditions not adequately controlled or treated with drugs. Implementation date: March 2003</p>	<p>Pharmaceuticals are critical in treating chronic and acute conditions. If people cannot afford drugs they will be seen in the emergency room or public clinics and likely have more hospital admissions and need longer treatment.</p>													
Subtotal			(22,330,728)	-	85,556	(34,594,344)	(56,839,516)	(0.99)	(143,929,929)	-	(33,552)	(217,402,280)	(161,204,270)	(3.00)