

Major Budget Drivers and Environmental Factors

The budget drivers and environmental factors described in the Agency Overview section and within the other clusters also impact DWSS units which operate in support of the different clusters. However, there are also factors that affect particular offices or units within DWSS, which are discussed below.

Information Technology

The department's need to modernize its information technology (IT) infrastructure and transform its IT services is the primary driver of the Office of Information Systems budget. This is reflected in several major systems initiatives to replace the department's Medicaid Management Information System (MMIS), the payment system for mental health services (eXPRS), and the replacement of the State Automated Child Welfare Information System (SACWIS). These project initiatives typically have available enhanced funding through our Federal partners (75 to 90 percent Federal Funding) or are developed through federal grants (especially for Public Health applications).

DHS is also an active participant in two statewide initiatives that have significant budgetary impacts: the Computer and Network Infrastructure Consolidation (CNIC) project and implementation of the state's computer asset management strategies.

Health Insurance Portability and Accountability Act (HIPAA)

The federal Health Insurance Portability and Accountability Act requires major technology and business process changes to protect health information, to standardize its use and to make other changes. DHS must

comply with the HIPAA Security Rule by April 21, 2005. DHS must continue to comply with HIPAA Privacy standards.

Economic factors

Economic factors are a major driver of caseload changes in many of the DHS programs. Changes in Oregon's economy will require on-going intensive efforts by Finance and Policy Analysis personnel to assess the impacts for program managers to ensure appropriate planning and change estimates to be developed. Caseload changes which affect staffing levels also impact units in Administrative Services, such as facilities, information systems and human resources.

Changes in federal policy

Any change in federal policy related to human services programs and funding requires analysis and coordination of program activities and responses. Finance and Policy Analysis staff work closely with program staff in response to new or revised federal policy. Changes in federal policy can also affect Administrative Service units.

Major Changes in Department Wide Support Services

Service integration, efficiencies, and reorganization

The department continues to look for ways to increase its efficiencies and centralization of administrative services, while working toward more efficient community-based delivery of human services.

- ◆ **Shared Services for administrative functions:** The department centralized its human resources, facilities, contracts, document management, public affairs, information services, and financial services, gaining a number of efficiencies and reducing expenditures.
- ◆ **Department reorganization:** SB 303, passed in 1999, gave the DHS director increased flexibility to manage resources across the various divisions of DHS. A reorganization that began in 2000 resulted in the standardization and consolidation of administrative functions. SB 2294, passed in 2001, dissolved the former divisions, clearing the way for major reorganization and included the consolidation of separate field service offices.

Creation of Information Security Office

The department created the Information Security Office in order to implement the federal Health Insurance Portability and Accountability Act (HIPAA) regulations and provide leadership and services that assist DHS in securing the confidentiality, integrity and availability of its information and systems.

Enhancing forecasting capacity

The departmental Forecasting Unit was established to assure that:

- ◆ Forecasts use a scientifically valid and reliable methodology.
- ◆ Forecast are timely, flexible, clearly communicated, and are responsive to program, budget and legislative needs.

Over the past year, the unit has worked towards building the infrastructure necessary to support the forecasting function, added a formal external peer review process, and developed modeling tools to produce caseload forecasts in April and November of each year, including:

◆ Services for the aged and physically disabled:

- Long-Term Care, including:
 - In-Home Care
 - Community-Based Facilities
 - Nursing Facilities
- Oregon Supplemental Income Program

◆ Self sufficiency:

- Temporary Assistance for Needy Families
- Food Stamps
- Employment-Related Day Care
- Temporary Assistance for Domestic Violence Survivors
- Refugees

◆ Child welfare

- Adoption Assistance
- Subsidized Guardianship

- Substitute Care, including:
 - Foster care
 - Residential Care
- In-Home Services

◆ **Mental Health and Addiction Services**

- Mental health treatment
 - Civil commitment
 - Criminal commitment
 - Other mental health consumers
- Addiction Services
 - Driving Under the Influence of Intoxicants
 - Other Alcohol/Drug Treatment

◆ **Medical Assistance Programs**

- Oregon Health Plan Plus
- Oregon Health Plan Standard
- Other Medical Assistance Programs

Cost Control and Coordination

To reduce costs and improve coordination of activities, the Department has undertaken the following:

◆ Financial Services:

- Use of a single travel reimbursement process throughout the department.
- Implementation of a comprehensive cost allocation plan that encompasses all of DHS.
- Instituting warrant authority to enhance collection of overpayments on TANF and Food Stamps.
- Increasing the number of employees who use the automated time reporting system.
- Executing an agreement with the Division of State Lands restoring access to abandoned client funds held by the division.
- The department continues to work on ways to automate transactions and find ways to pay providers electronically.
- The Financial Recovery Section of Financial Services has added staff to increase collections of amounts owed to the department.

◆ Office of Contracts and Procurement

- Efficiencies gained since consolidation of contract and purchasing processes within DHS have allowed the agency to absorb new work without an increase in staff.
- Development and standardization of DHS policies and procedures, as well as common procurement documents, has caused contract and solicitation activities to be predictable and streamlined.

- The office also provides training to other business units to help them better administer contracts and reduce risk-exposure for the agency.
- ◆ **Forms and Document Management**
 - Aligning workflows to partner with Oregon Health Plan and reduce the number of times documents are handled.
 - Aligning workflows to partner with Office of Medical Assistance Programs to prevent Medicaid claims containing invalid or missing information from entering the MMIS system causing payment delays.
 - Contracting with DAS to perform distribution functions historically completed by DHS.
 - Continue partnership with the Jobs Plus Work Experience Program to increase the number of clients who retain and maintain full time employment. This training program reduces the overall cost to DHS of processing provider claims due to the federal match rate associated with the Jobs Plus Work Experience Program.
- ◆ **Leadership in statewide initiatives to increase efficiencies, including strategic sourcing and the data center and network consolidation.**

Professional Services and Purchasing Contracts

All areas within Department of Human Services use professional services contracts in order to effectively implement and administer programs. The largest portion of services is contracted through intergovernmental agreements with local governments and contracts with health care providers. The decision to contract for professional services is made for a variety of reasons including: statutory requirements, a lack of expertise within a particular discipline, a cost benefit, or a critical short-term need.

Department of Human Services
2005 Ways and Means Presentation – Phase 2

Essential and Policy Option Packages

The following is a summary of the packages and adjustments that were incorporated in the development of the 2005-07 budget for the Department Wide Support Services. Expanded descriptions of each package listed in the table below follows this summary:

	General Funds	Other Funds	Federal Funds	Total Funds	Pos	FTE
Base Budget	111,597,809	39,822,439	218,293,051	369,713,299	881	871.38
Essential Packages						
Pkg 010- Vacancy Factor and Non PICS Personal Services Adj.	1,872,917	592,287	2,597,032	5,062,236	0	0.00
Pkg 021-Phase In	3,629,300	11,927,041	34,499,859	50,056,200	30	29.50
Pkg 022-Phase Out	(362,749)	(2,707,485)	(42,160,467)	(45,230,701)	0	0.00
Pkg 030-Inflation/Price List Adj	7,372,794	406,405	7,306,430	15,085,629	0	0.00
Pkg 050-Fund Shift	204,405	(20,357)	(184,048)	0	0	0.00
Total Essential Packages	12,716,667	10,197,891	2,058,806	24,973,364	30	29.50
Adjustments to Achieve the Governor's Recommended Budget:						
Pkg 084- November 2004 Emergency Board	37,863	(157,894)	(120,032)	(240,063)	5	6.00
Pkg 090-Analyst Adj	(10,485,161)	(3,643,861)	(9,010,988)	(23,140,010)	(17)	(17.00)
Total Adjustments	(10,447,298)	(3,801,755)	(9,131,020)	(23,380,073)	(12)	(11.00)
Policy Packages included in the Governor's Recommended Budget:						
Pkg 103-Partially Restore Standard Benefit Package/Provider Taxes	0	377,585	388,544	766,129	0	0.00
Pkg 104-Attorney General Representation for Child Welfare in Court Hearings	506,183	0	317,147	823,330	0	0.00
Pkg 110-Medicare Modernization Act Implementation	408,277	0	158,278	566,555	0	0.00
Pkg 112-SACWIS- State Automated Child Welfare Information System	1,948,821	13,669,095	13,669,095	29,287,011	8	8.00
Pkg 115-Strengthening the DHS Forecasting Function	457,181	68,494	604,857	1,130,532	7	7.00
Pkg 119-Enhanced Overpayment Collections Staff	420,134	200,000	312,541	932,675	6	6.00
Pkg 123-Health Insurance Portability and Accountability Act (HIPAA) of 1996 – Security Rule Compliance	500,000	0	3,991,330	4,491,330	6	6.00

Department of Human Services
2005 Ways and Means Presentation – Phase 2

Pkg 127-Oregon State Public Health Lab Rent Increase	163,015	273,383	97,552	533,950	0	0.00
Pkg 129-Implement Federally Mandated Medicaid Quality Control Process	324,661	0	324,661	649,322	4	3.50
Total Policy Packages	4,728,272	14,588,557	19,864,005	39,180,834	31	30.50
Gov. Rec. Budget	118,595,450	60,807,132	231,084,842	410,487,424	930	920.38

Base Budget – This is the 2003-05 Legislatively Approved Budget as of the April 2004 Emergency Board with personal services increased to 2005-07 costs. This would include 24 months of any cost of living adjustments in the 2003-05 biennium, any step increases planned for employees in the 2005-07 biennium and 24 months of any step increases granted to employees in the 2003-05 biennium.

Department of Human Services
2005 Ways and Means Presentation – Phase 2

Package 010: Vacancy Factor and Non PICS Personal Services

Adjustments – The Vacancy Factor calculation projects budget changes related to staff turnover and position vacancy in the 2005-07 biennium.

Non-PICS Personal Services inflation includes any items not part of the PICS generated totals. These include unemployment assessment, overtime, temporary services, shift differential, and Mass Transit Tax. The general inflation factor of 2.4 percent was applied to these Non-PIC's Personal Service items.

Package 010: Non PICS Personal Services Adjustment

Package Detail	General Fund	Other Funds	Federal Funds	Total Funds
Non PICS items in base were adjusted for standard inflation based on the DAS Budget Instructions.	31,105	8,265	38,287	77,657
Vacancy factor calculation projects budget savings reasonably expected from staff turnover in the 2005-07 biennium.	(65,737)	(27,639)	(132,404)	(225,780)
The Department of Administrative Services (DAS) assessed the agency for its share of costs associated with the Pension Obligation Bonds issued in October 2003. The collections from the agency will be used by DAS to make the semi-annual debt service payments.	1,907,549	611,661	2,691,149	5,210,359
Total	1,872,917	592,287	2,597,032	5,062,236

Department of Human Services
2005 Ways and Means Presentation – Phase 2

Package 021: Phase In – This package is related to new programs and expansion of non-mandated programs funded for less than 24 months during the 2003-05 biennium, but needing a full 24 months in the 2005-07 biennium. The costs for the additional months of funding needed to achieve the 24-month funding level are included in this package. Phase-in costs in this budget structure are:

Package 021: Phase In

Package Detail	General Fund	Other Funds	Federal Funds	Total Funds	POS	FTE
<p>The Medicaid Management Information System (MMIS) replacement project is an on-going multi-biennia effort with authorization by previous Legislatures. When completed, the project produces a modernized MMIS that performs all current program business functions, as well as needed functions that are not supported by the current MMIS. It will provide for ease in delivery of information to both internal and external partner agencies. If not implemented, Oregon may face financial penalties for noncompliance with federal regulations, such as applicable Health Insurance Portability and Accountability Act (HIPAA) requirements.</p>	3,629,300	11,927,041	34,499,859	50,056,200	30	29.50
Total	3,629,300	11,927,041	34,499,859	50,056,200	30	29.50

Department of Human Services
2005 Ways and Means Presentation – Phase 2

Package 022: Phase Out – This package is related to any programs permanently eliminated during the 2003-05 biennium, to remove costs in the base budget for the months the program operated during 2003-05. Phase-outs are also related to decreased costs resulting from discontinuation of pilot project programs and other one-time costs that will not be continued in the 2005-07 biennium. The decreased costs from phased-out programs in this budget structure are:

Package 022: Phase Out

Package Detail	General Fund	Other Funds	Federal Funds	Total Funds
Phases out the funding for the Health Insurance Portability and Accountability Act (HIPAA) transactions and code sets project that was added to the Department's budget at the April 2004 E-board as part of the rebalance plan. This project should be complete by the end of the biennium.	(818,659)		(2,347,431)	(3,166,090)
Phases out the funding for the Overpayment writers pilot project that was added to the Department's budget at the April 2004 E-board as part of the rebalance plan.	912,217	(920,612)	(47,556)	(55,951)
As part of the April 2004 rebalance, empty other and federal fund limitation was unscheduled. This phase-out is to remove this empty limitation from the base 2005-07 budget.		(3,128,951)	(38,879,709)	(42,008,660)
Information Systems expenditures, previously funded through other federal programs, will now be funded by the Child Support program through the Department of Justice as Other Funds. Office of Information Systems contracts with the Department of Justice to provide information systems work.	(456,307)	1,342,078	(885,771)	0
Total	(362,749)	(2,707,485)	(42,160,467)	(45,230,701)

Department of Human Services
2005 Ways and Means Presentation – Phase 2

Package 030: Inflation and Price List Adjustments – The standard inflation factor of 2.4 percent and the Department of Administrative Services (DAS) Price List was used for calculating general increases for Services and Supply, Capital Outlay, and Special Payments. Biennial inflation factor exceptions were requested and received for Real Property Services at an additional 1.4 percent and for Non-Uniform Rent at an additional 2.9 percent.

Package 030: Inflation and Price List Adjustments

Package Detail	General Fund	Other Funds	Federal Funds	Total Funds
<p>DWSS applied a 2.4% general inflationary increase as outlined in Department of Administrative Services' (DAS) 2005-07 Budget and Legislative Concept Instruction document. In addition, this package includes State Government Service Charges and Attorney General increases that are above the standard inflation but according to the DAS Budget instructions.</p>	6,877,588	209,220	6,048,427	13,135,235
<p>Department of Human Services looked at each of its commercial leases to determine the value of the payments required during the 2003-05 biennium. This was compared to the base budget for the 2005-07 biennium inflated by the standard inflation factor of 2.4%. This represents the increase beyond the standard inflation and an additional 2.9% for a total of 5.3% approved by Department of Administrative Services.</p>	495,206	197,185	1,258,003	1,950,394
Total	7,372,794	406,405	7,306,430	15,085,629

Department of Human Services
2005 Ways and Means Presentation – Phase 2

Package 050: Fund Shifts – This package reflects significant budgeted changes in existing programs. Fund shift affecting this budget structure are:

Package 050: Fund Shifts

Package Detail	General Fund	Other Funds	Federal Funds	Total Funds
Federal Block grants used in financing Personal Services in the PICS system is causing a revenue shortfall when merit increases are approved. This issue requests General Fund backfills for personal services used in these capped Federal Programs. The Child Care Block Grant program is funded with Other Funds received from the Employment Department.	204,405	(20,357)	(184,048)	0
Total	204,405	(20,357)	(184,048)	0

Package 084: November 2004 Emergency Board – Reflects 2005-07 biennium impact of the actions taken at the November 2004 Oregon Legislative Emergency Board meeting that affected the DWSS Cluster of DHS. These actions are:

Package 084: November 2004 Emergency Board

Package Detail	General Fund	Other Funds	Federal Funds	Total Funds	POS	FTE
Actions to reduce Services & Supplies expenditures as part of efforts to offset department problems in the November 2004 rebalance.	(500,000)	(157,894)	(657,895)	(1,315,789)		
To improve Medicaid Audit, Hospital Insurance Group, and Medicaid Payment recovery, the department added five additional Medicaid Audit recovery staff in Department Wide Support Services, three additional Medicaid recovery staff in Community Human Services, and six additional Health Insurance Group/Overpayment recovery staff in CAF. These staff were put in place effective January 2005 and are generating additional, incremental recovery revenue. A net 2005-07 General Fund savings of \$2,669,530 are projected from this management action from enhanced recoveries in excess of personal costs for these staff.	537,863		537,863	1,075,726	5	6.00
Total	37,863	(157,894)	(120,032)	(240,063)	5	6.00

Department of Human Services
2005 Ways and Means Presentation – Phase 2

Package 090: Analyst Adjustments – Additional proposed actions to achieve the Governor’s Recommended Budget that affected the Department-wide Support Services Cluster of the Department of Human Services.

Package 090: BAM Analyst Recommended Adjustments

Package Detail	General Fund	Other Funds	Federal Funds	Total Funds	POS	FTE
Reduce travel, office expenses, training, professional services, attorney general expenses, expendable property, and other expenses (PC replacement, etc.)	(7,375,546)	(2,431,916)	(6,511,995)	(16,319,457)		
Close 4 small and 4 medium size buildings.	(1,427,223)	(575,856)		(2,003,079)		
Staff reductions.	(671,547)	(316,301)	(1,301,126)	(2,288,974)	(17)	(17.00)
Reduce 2005-07 EBL Inflation by 25%- delay CPI effective date.	(700,000)	(113,103)	(516,695)	(1,329,798)		
Smart Buy reduction	(310,845)	(206,685)	(681,172)	(1,198,702)		
Total	(10,485,161)	(3,643,861)	(9,010,988)	(23,140,010)	(17)	(17.00)

Policy Package 103: Partially Restore Standard Benefit

Package/Provider Taxes – This policy package restores: 1. A restricted benefit package for a limited number of eligible Standard clients; 2. Staff necessary to administer the program and determine eligibility for the program; and 3. Funds to pay for the contract with the William Earhart Company to collect premiums. The Department eliminated staff to administer and operate the Standard package and funds for the Earhart contract, when state funds were eliminated for clients receiving the Standard Benefit Package. House Bill 2747, approved by the 2003 Legislative Assembly established both a Managed Care Organization (MCO) tax and a Hospital tax. The Centers for Medicare and Medicaid Services (CMS) approved the taxes to be effective retroactively to May 1, 2004. DHS estimates the MCO and hospital tax revenues, along with matching Federal funds, will be sufficient to support approximately 24,000 OHP Standard clients in 2005-07 and selectively increase provider reimbursement rates. The impact for DWSS is \$377,585 Other Funds, \$388,544 Federal Funds, and \$766,129 Total Funds.

Policy Package 104: Attorney General Representation for Child

Welfare in Court Hearings – Funds Attorney General representation for child welfare caseworkers in court hearings. Provides additional Attorney General representation (paralegal, support, and attorneys) for Child Welfare caseworkers in court hearings where currently not available. Result will enable caseworkers to spend more time doing casework rather than court work. DWSS related costs for this package are \$506,183 General Funds, \$317,147 Federal Funds and \$823,330 Total Funds.

Policy Package 110: Medicare Modernization Act Implementation –

Implements the Federal Medicare Modernization Act, which provides prescription drug benefits for clients dually eligible for Medicare and Medicaid.

This package reflects the fiscal and programmatic impacts of the new federal Medicare Prescription Drug, Improvement and Modernization Act of 2003, which creates a Medicare prescription drug benefit called Medicare Part D. Effective January 2006, states will no longer be eligible for federal Medicaid matching funds for Medicare/Medicaid dual eligible drug coverage. Dual eligible beneficiaries will receive their drug benefits through Medicare unless they opt out of Medicare Part D. States will be required to pay the federal government for a portion of the Medicare drug benefit provided to Medicare/Medicaid dual eligibles. States may provide additional drug benefits, but they will not receive federal match for these expenditures with a few minor exceptions. Senate Bill 88 (policy package 111) has been submitted to eliminate the requirement for a Medicaid-equivalent prescription drug benefit that would be funded only with state funds. Removing this current statutory requirement for a Medicaid-equivalent prescription drug benefit would mitigate a large portion of the expanded cost to the state.

Estimates of the impacts of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 are very preliminary. The Centers for Medicare and Medicaid Services (CMS) is still in the process of determining

how the details of the Act will be implemented. The impact to DWSS is \$408,277 General Funds, \$158,278 Federal Funds, and \$566,555 Total Funds. There is an additional impact on Seniors and People with Disabilities and Office of Medical Assistance Programs.

Policy Package 112: SACWIS- State Automated Child Welfare

Information System – The state is required to maintain an automated system that supports the child welfare program and child welfare workers who work in the system. DHS maintains a Statewide Automated Child Welfare Information System (SACWIS) that was built on the Legacy child welfare system that is 30 years old. Oregon started work on the SACWIS in 1994. Currently the federal government considers Oregon to be partially operational.

The federal government completed, in 2002, an onsite review of the SACWIS and provided their report in 2003. Out of the 87 requirements, DHS fully completed 19, conditionally completed 26, and did not complete 24. There are 18 remaining that are optional requirements and only become mandatory if the state elects to do them. DHS must replace our federally funded Statewide Automated Child Welfare Information System (SACWIS) to comply with federal requirements.

Policy Package 115: Strengthening the DHS Forecasting Function – The purpose of this Policy Option Package is to allow the Department to centralize and improve its ability to forecast client caseloads by adding seven permanent positions to the Department of Human Services' Forecasting and Performance Measurement Unit.

Policy Package 119: Enhanced Overpayment Collections Staff --

Establishes permanent positions in Overpayment Collections to enhance recovery, enables state to recover third party liability and reduces costs associated with accounting. A net General Fund savings of \$2.9 million is expected from these recovery activities in the 2005-07 biennium. The DWSS

costs associated with this package are \$420,134 General Funds, \$200,000 Other Funds, \$312,541 Federal Funds, and \$932,675 Total Funds.

Policy Package 123: Health Insurance Portability and Accountability Act (HIPAA) of 1996 (Security Rule Compliance) – To complete the implementation of security measures necessary to meet compliance with Health Insurance Portability and Accountability Act (HIPAA) Security Rule and achieve essential information security performance thresholds specified by Department of Administrative Service’s Cyber Security Program.

Policy Package 127: Oregon State Public Health Lab Rent Increase – Provides funding for increased lease costs associated with the State's new Public Health Lab. Portland State University will not renew the lease for the Oregon State Public Health Lab (OSPHL) or the DEQ laboratory after June 2007. The 2003 Legislature approved the building; the completion and move is anticipated to occur in Spring 2007.

Anticipated Other and Federal Revenues are insufficient to fully fund the rent increase. The purpose of this policy package is to increase Other Fund and Federal Fund limitation for the increase in rent, and to increase General Fund authority for the shortfall in other and federal funding needed to fully fund the increase.

Policy Package 129: Implement Federally Mandated Medicaid Quality Control Process – Due to changes at the federal level including enactment of the Improper Payments Act of 2002, the department has been informed our current Medicaid Eligibility Quality Control (MEQC) process will not be acceptable. Starting with FFY2005, the department must submit a yearly plan for approval by DHHS-CMS. The department is required to discontinue QC review of the OHP standard population and include a review of categorical Medicaid programs. Changes necessary include increasing our sample size by about 300 percent. Starting with FFY2006, the department will be under a requirement to complete an additional prescribed MEQC review every third year. This requirement is currently being piloted

by 1/3 of the states and they are finding it takes more resources to complete this required review.

To comply with the Improper Payments Information Act of 2002, CMS is implementing the Payment Error Rate Measurement program in FFY2006. The department will be required to do specific medical necessity and coding accuracy reviews of a sample of Medicaid and SCHIP claims in addition to the eligibility review.

Summary of Proposed Legislation

- ◆ **HB 2086 – Provider Health Care Tax Assessment Payments:** This bill gives medical program providers the option to pay Health Care Provider Taxes electronically using the National Automated Clearing House (NACHA) system. Current language in Oregon Laws 2003 Chapter 736 requires payment of provider taxes to physically accompany the report the provider sends to the Department of Human Services. No option of electronic payment is allowed.
- ◆ **HB 2146 – Negligent Third Party Claims:** Gives the Department authority to independently pursue recovery actions against liable third parties through the assignment of the recipient's litigation rights to DHS. As a condition of eligibility for medical assistance, federal law (42 USC 1396a(a) (25)(H)) requires states to obtain an assignment of the recipient's rights to payment from any liable third party. This allows the state to fulfill the federal requirement that the state recover the costs of care provided to public assistance recipients from any liable third party. DHS currently has authority under Oregon law to impose a lien on the proceeds of any third party action brought by the recipient, but it has no authority to bring an independent action to recover those costs from a liable third party.

DHS needs this legislation to implement two mandatory provisions of Medicaid law. First, DHS needs to implement the federal provision that requires the recipient to assign the state the recipient's rights of recovery against liable third parties. And, second, DHS needs legislation expressly authorizing it to bring an action against a liable third party.

A consequence of current law allows insurance carriers to “cost-shift” medical assistance that they would otherwise be obligated to pay, to the State. This would no longer occur if the suggested policy change were enacted.

- ◆ **HB 2147 – Elimination of Provider Assessment Suspense Accounts:**
Eliminates an inefficient, duplicative process by doing away with suspense accounts established for each of four Provider Assurance Funds. Payments and disbursements can better be accounted for by utilizing the Statewide Financial Management Application (SFMA). With this change, the status of each fund can be monitored on-line and in real-time. Current language in Oregon Laws 2003 Chapter 736 established separate suspense accounts for each of four Provider Assurance Funds. At the present time, money for refunds must be appropriated from the suspense account and transferred to the Assurance Fund. In essence, the department is required to use, and reconcile, two accounts for essentially the same purpose. Language used in the above law is archaic and relevant to the state’s old accounting system. The old system was not able to make refunds out of “receipted” accounts and therefore a “suspense” account was required. This is no longer the case with the availability of SFMA.