MEMORANDUM

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To: Public Safety Subcommittee of the Joint Committee on Ways and Means

From: Kim To, Legislative Fiscal Office, 503-986-1830

Date: June 10, 2013

Subject: HB 2087 Relating to Health Care Delivery
Work Session Recommendation

House Bill 2087 authorizes the Department of Corrections, the Oregon Youth Authority, and local correctional facilities to apply for medical assistance on behalf of inmates of the facilities, rather than requiring inmates to apply for themselves. The bill does not declare an emergency and would be assumed to be effective January 1, 2014.

The measure previously had hearings in the House Committee on Health Care on 4/12/2013 and 4/18/2013. A public hearing was held for the bill in this Subcommittee on 5/9/2013.

The measure, the original staff measure summary, and the fiscal impact statement are attached to this memo, and available on the Oregon Legislative Information System (OLIS).

What the measure does

The Oregon Health Authority (OHA) reports that corrections officials estimate that as many as 75% of potentially eligible inmates refuse to apply for Medicaid benefits given the choice. HB 2087 allows a proxy or designated representative to complete and submit the application. With passage of this bill, it is anticipated that a larger number of inmates will be eligible for medical assistance coverage for hospital costs, and the state would be able to claim Medicaid matching funds for hospital inpatient care provided to incarcerated individuals through the Medical Assistance Programs (MAP), per federal law and regulation.

Fiscal impact

This measure is anticipated to realize savings for the state. OHA estimates that the Department of Corrections could save approximately $13 million in the 2013-15 biennium. The Oregon Youth Authority (OYA) estimates approximately $70,000 in savings a biennium, based on actual hospitalization payments for youth under the custody of OYA. Extrapolating from data provided by Multnomah County, the Oregon Health Authority estimates that Multnomah County could save roughly between $0.75 and 1.0 million in the 2013-15 biennium from submitting claims for inpatient services to Medicaid.

The amendment

The –A2 amendment allows local mental health authorities flexibility in developing Biennial Implementation Plans by removing specific requirements regarding the timing of the Biennial Implementation Plans. The amendment also requires the plans be coordinated with community health improvement plans developed by coordinate care organizations (CCOs). Complying with these provisions would not result in a fiscal impact for the Oregon Health Authority and local mental health authorities.

Recommendation

LFO recommends moving the – A2 amendment into the bill.

Motion

Motion: Senator/Representative_____: I move the dash A2 amendment into HB 2087.

Recommendation

The measure is recommended to be moved to the Full Committee on Joint Ways and Means.

Motion

Motion: Senator/Representative_____: I move HB 2087 with the dash A2 amendment to the Full Committee with a "do pass" recommendation as amended.

Assignment of Carriers

Full: _____

Senate: _____

House: _____

HB 2087-A2
(LC 343)
6/3/13 (LHF/ps)

PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2087

On page 1 of the printed A-engrossed bill, line 2, delete "and 419C.550" and insert ", 419C.550, 430.630, 430.632, 430.640, 431.385, 431.416 and 624.510".

On page 2, after line 28, insert:

"**SECTION 3.** ORS 430.630 is amended to read:

"430.630. (1) In addition to any other requirements that may be established by rule by the Oregon Health Authority, each community mental health program, subject to the availability of funds, shall provide the following basic services to persons with alcoholism or drug dependence, and persons who are alcohol or drug abusers:

"(a) Outpatient services;

"(b) Aftercare for persons released from hospitals;

"(c) Training, case and program consultation and education for community agencies, related professions and the public;

"(d) Guidance and assistance to other human service agencies for joint development of prevention programs and activities to reduce factors causing alcohol abuse, alcoholism, drug abuse and drug dependence; and

"(e) Age-appropriate treatment options for older adults.

"(2) As alternatives to state hospitalization, it is the responsibility of the community mental health program to ensure that, subject to the availability of funds, the following services for persons with alcoholism or drug dependence, and persons who are alcohol or drug abusers, are available when needed and approved by the Oregon Health Authority:

"(a) Emergency services on a 24-hour basis, such as telephone consultation, crisis intervention and prehospital screening examination;

"(b) Care and treatment for a portion of the day or night, which may include day treatment centers, work activity centers and after-school programs;

"(c) Residential care and treatment in facilities such as halfway houses, detoxification centers and other community living facilities;

"(d) Continuity of care, such as that provided by service coordinators, community case development specialists and core staff of federally assisted community mental health centers;

"(e) Inpatient treatment in community hospitals; and

"(f) Other alternative services to state hospitalization as defined by the Oregon Health Authority.

"(3) In addition to any other requirements that may be established by rule of the Oregon Health Authority, each community mental health program, subject to the availability of funds, shall provide or ensure the provision of the following services to persons with mental or emotional disturbances:

"(a) Screening and evaluation to determine the client's service needs;

"(b) Crisis stabilization to meet the needs of persons with acute mental or emotional disturbances, including the costs of investigations and prehearing detention in community hospitals or other facilities approved by the authority for persons involved in involuntary commitment procedures;

"(c) Vocational and social services that are appropriate for the client's age, designed to improve the client's vocational, social, educational and recreational functioning;

"(d) Continuity of care to link the client to housing and appropriate and available health and social service needs;

"(e) Psychiatric care in state and community hospitals, subject to the provisions of subsection (4) of this section;

"(f) Residential services;

"(g) Medication monitoring;

"(h) Individual, family and group counseling and therapy;

"(i) Public education and information;

"(j) Prevention of mental or emotional disturbances and promotion of mental health;

"(k) Consultation with other community agencies;

"(L) Preventive mental health services for children and adolescents, including primary prevention efforts, early identification and early intervention services. Preventive services should be patterned after service models that have demonstrated effectiveness in reducing the incidence of emotional, behavioral and cognitive disorders in children. As used in this paragraph:

"(A) 'Early identification' means detecting emotional disturbance in its initial developmental stage;

"(B) 'Early intervention services' for children at risk of later development of emotional disturbances means programs and activities for children and their families that promote conditions, opportunities and experiences that encourage and develop emotional stability, self-sufficiency and increased personal competence; and

"(C) 'Primary prevention efforts' means efforts that prevent emotional problems from occurring by addressing issues early so that disturbances do not have an opportunity to develop; and

"(m) Preventive mental health services for older adults, including primary prevention efforts, early identification and early intervention services. Preventive services should be patterned after service models that have demonstrated effectiveness in reducing the incidence of emotional and behavioral disorders and suicide attempts in older adults. As used in this paragraph:

"(A) 'Early identification' means detecting emotional disturbance in its initial developmental stage;

"(B) 'Early intervention services' for older adults at risk of development of emotional disturbances means programs and activities for older adults and their families that promote conditions, opportunities and experiences that

encourage and maintain emotional stability, self-sufficiency and increased personal competence and that deter suicide; and

"(C) 'Primary prevention efforts' means efforts that prevent emotional problems from occurring by addressing issues early so that disturbances do not have an opportunity to develop.

"(4) A community mental health program shall assume responsibility for psychiatric care in state and community hospitals, as provided in subsection (3)(e) of this section, in the following circumstances:

"(a) The person receiving care is a resident of the county served by the program. For purposes of this paragraph, 'resident' means the resident of a county in which the person maintains a current mailing address or, if the person does not maintain a current mailing address within the state, the county in which the person is found, or the county in which a court-committed person with a mental illness has been conditionally released.

"(b) The person has been hospitalized involuntarily or voluntarily, pursuant to ORS 426.130 or 426.220, except for persons confined to the Secure Child and Adolescent Treatment Unit at Oregon State Hospital, or has been hospitalized as the result of a revocation of conditional release.

"(c) Payment is made for the first 60 consecutive days of hospitalization.

"(d) The hospital has collected all available patient payments and third-party reimbursements.

"(e) In the case of a community hospital, the authority has approved the hospital for the care of persons with mental or emotional disturbances, the community mental health program has a contract with the hospital for the psychiatric care of residents and a representative of the program approves voluntary or involuntary admissions to the hospital prior to admission.

"(5) Subject to the review and approval of the Oregon Health Authority, a **community** mental health program may initiate additional services after the services defined in this section are provided.

"(6) Each community mental health program and the state hospital serv-

ing the program's geographic area shall enter into a written agreement concerning the policies and procedures to be followed by the program and the hospital when a patient is admitted to, and discharged from, the hospital and during the period of hospitalization.

"(7) Each community mental health program shall have a mental health advisory committee, appointed by the board of county commissioners or the county court or, if two or more counties have combined to provide mental health services, the boards or courts of the participating counties or, in the case of a Native American reservation, the tribal council.

"(8) A community mental health program may request and the authority may grant a waiver regarding provision of one or more of the services described in subsection (3) of this section upon a showing by the county and a determination by the authority that persons with mental or emotional disturbances in that county would be better served and unnecessary institutionalization avoided.

"(9)(a) As used in this subsection, 'local mental health authority' means one of the following entities:

"(A) The board of county commissioners of one or more counties that establishes or operates a community mental health program;

"(B) The tribal council, in the case of a federally recognized tribe of Native Americans that elects to enter into an agreement to provide mental health services; or

"(C) A regional local mental health authority comprising two or more boards of county commissioners.

"(b) Each local mental health authority that provides mental health services shall determine the need for local mental health services and adopt a comprehensive local plan for the delivery of mental health services for children, families, adults and older adults that describes the methods by which the local mental health authority shall provide those services. [*The local mental health authority shall review and revise the local plan biennially.*] The

purpose of the local plan is to create a blueprint to provide mental health services that are directed by and responsive to the mental health needs of individuals in the community served by the local plan. **A local mental health authority shall coordinate its local planning with the development of the community health improvement plan under section 13, chapter 8, Oregon Laws 2012, by the coordinated care organization serving the area. The Oregon Health Authority may require a local mental health authority to review and revise the local plan periodically.**

"(c) The local plan shall identify ways to:

"(A) Coordinate and ensure accountability for all levels of care described in paragraph (e) of this subsection;

"(B) Maximize resources for consumers and minimize administrative expenses;

"(C) Provide supported employment and other vocational opportunities for consumers;

"(D) Determine the most appropriate service provider among a range of qualified providers;

"(E) Ensure that appropriate mental health referrals are made;

"(F) Address local housing needs for persons with mental health disorders;

"(G) Develop a process for discharge from state and local psychiatric hospitals and transition planning between levels of care or components of the system of care;

"(H) Provide peer support services, including but not limited to drop-in centers and paid peer support;

"(I) Provide transportation supports; and

"(J) Coordinate services among the criminal and juvenile justice systems, adult and juvenile corrections systems and local mental health programs to ensure that persons with mental illness who come into contact with the

justice and corrections systems receive needed care and to ensure continuity of services for adults and juveniles leaving the corrections system.

"(d) When developing a local plan, a local mental health authority shall:

"(A) Coordinate with the budgetary cycles of state and local governments that provide the local mental health authority with funding for mental health services;

"(B) Involve consumers, advocates, families, service providers, schools and other interested parties in the planning process;

"(C) Coordinate with the local public safety coordinating council to address the services described in paragraph (c)(J) of this subsection;

"(D) Conduct a population based needs assessment to determine the types of services needed locally;

"(E) Determine the ethnic, age-specific, cultural and diversity needs of the population served by the local plan;

"(F) Describe the anticipated outcomes of services and the actions to be achieved in the local plan;

"(G) Ensure that the local plan coordinates planning, funding and services with:

"(i) The educational needs of children, adults and older adults;

"(ii) Providers of social supports, including but not limited to housing, employment, transportation and education; and

"(iii) Providers of physical health and medical services;

"(H) Describe how funds, other than state resources, may be used to support and implement the local plan;

"(I) Demonstrate ways to integrate local services and administrative functions in order to support integrated service delivery in the local plan; and

"(J) Involve the local mental health advisory committees described in subsection (7) of this section.

"(e) The local plan must describe how the local mental health authority

will ensure the delivery of and be accountable for clinically appropriate services in a continuum of care based on consumer needs. The local plan shall include, but not be limited to, services providing the following levels of care:

"(A) Twenty-four-hour crisis services;

"(B) Secure and nonsecure extended psychiatric care;

"(C) Secure and nonsecure acute psychiatric care;

"(D) Twenty-four-hour supervised structured treatment;

"(E) Psychiatric day treatment;

"(F) Treatments that maximize client independence;

"(G) Family and peer support and self-help services;

"(H) Support services;

"(I) Prevention and early intervention services;

"(J) Transition assistance between levels of care;

"(K) Dual diagnosis services;

"(L) Access to placement in state-funded psychiatric hospital beds;

"(M) Precommitment and civil commitment in accordance with ORS chapter 426; and

"(N) Outreach to older adults at locations appropriate for making contact with older adults, including senior centers, long term care facilities and personal residences.

"(f) In developing the part of the local plan referred to in paragraph (c)(J) of this subsection, the local mental health authority shall collaborate with the local public safety coordinating council to address the following:

"(A) Training for all law enforcement officers on ways to recognize and interact with persons with mental illness, for the purpose of diverting them from the criminal and juvenile justice systems;

"(B) Developing voluntary locked facilities for crisis treatment and follow-up as an alternative to custodial arrests;

"(C) Developing a plan for sharing a daily jail and juvenile detention

center custody roster and the identity of persons of concern and offering mental health services to those in custody;

"(D) Developing a voluntary diversion program to provide an alternative for persons with mental illness in the criminal and juvenile justice systems; and

"(E) Developing mental health services, including housing, for persons with mental illness prior to and upon release from custody.

"(g) Services described in the local plan shall:

"(A) Address the vision, values and guiding principles described in the Report to the Governor from the Mental Health Alignment Workgroup, January 2001;

"(B) Be provided to children, older adults and families as close to their homes as possible;

"(C) Be culturally appropriate and competent;

"(D) Be, for children, older adults and adults with mental health needs, from providers appropriate to deliver those services;

"(E) Be delivered in an integrated service delivery system with integrated service sites or processes, and with the use of integrated service teams;

"(F) Ensure consumer choice among a range of qualified providers in the community;

"(G) Be distributed geographically;

"(H) Involve consumers, families, clinicians, children and schools in treatment as appropriate;

"(I) Maximize early identification and early intervention;

"(J) Ensure appropriate transition planning between providers and service delivery systems, with an emphasis on transition between children and adult mental health services;

"(K) Be based on the ability of a client to pay;

"(L) Be delivered collaboratively;

"(M) Use age-appropriate, research-based quality indicators;

"(N) Use best-practice innovations; and

"(O) Be delivered using a community-based, multisystem approach.

"(h) A local mental health authority shall submit to the Oregon Health Authority a copy of the local plan and [*biennial*] revisions adopted under paragraph (b) of this subsection at time intervals established by the **Oregon Health** Authority.

"(i) Each local commission on children and families shall reference the local plan for the delivery of mental health services in the local coordinated comprehensive plan created pursuant to ORS 417.775.

"SECTION 4. ORS 430.630, as amended by section 101, chapter 37, Oregon Laws 2012, is amended to read:

"430.630. (1) In addition to any other requirements that may be established by rule by the Oregon Health Authority, each community mental health program, subject to the availability of funds, shall provide the following basic services to persons with alcoholism or drug dependence, and persons who are alcohol or drug abusers:

"(a) Outpatient services;

"(b) Aftercare for persons released from hospitals;

"(c) Training, case and program consultation and education for community agencies, related professions and the public;

"(d) Guidance and assistance to other human service agencies for joint development of prevention programs and activities to reduce factors causing alcohol abuse, alcoholism, drug abuse and drug dependence; and

"(e) Age-appropriate treatment options for older adults.

"(2) As alternatives to state hospitalization, it is the responsibility of the community mental health program to ensure that, subject to the availability of funds, the following services for persons with alcoholism or drug dependence, and persons who are alcohol or drug abusers, are available when needed and approved by the Oregon Health Authority:

"(a) Emergency services on a 24-hour basis, such as telephone consulta-

tion, crisis intervention and prehospital screening examination;

"(b) Care and treatment for a portion of the day or night, which may include day treatment centers, work activity centers and after-school programs;

"(c) Residential care and treatment in facilities such as halfway houses, detoxification centers and other community living facilities;

"(d) Continuity of care, such as that provided by service coordinators, community case development specialists and core staff of federally assisted community mental health centers;

"(e) Inpatient treatment in community hospitals; and

"(f) Other alternative services to state hospitalization as defined by the Oregon Health Authority.

"(3) In addition to any other requirements that may be established by rule of the Oregon Health Authority, each community mental health program, subject to the availability of funds, shall provide or ensure the provision of the following services to persons with mental or emotional disturbances:

"(a) Screening and evaluation to determine the client's service needs;

"(b) Crisis stabilization to meet the needs of persons with acute mental or emotional disturbances, including the costs of investigations and prehearing detention in community hospitals or other facilities approved by the authority for persons involved in involuntary commitment procedures;

"(c) Vocational and social services that are appropriate for the client's age, designed to improve the client's vocational, social, educational and recreational functioning;

"(d) Continuity of care to link the client to housing and appropriate and available health and social service needs;

"(e) Psychiatric care in state and community hospitals, subject to the provisions of subsection (4) of this section;

"(f) Residential services;

"(g) Medication monitoring;

"(h) Individual, family and group counseling and therapy;

"(i) Public education and information;

"(j) Prevention of mental or emotional disturbances and promotion of mental health;

"(k) Consultation with other community agencies;

"(L) Preventive mental health services for children and adolescents, including primary prevention efforts, early identification and early intervention services. Preventive services should be patterned after service models that have demonstrated effectiveness in reducing the incidence of emotional, behavioral and cognitive disorders in children. As used in this paragraph:

"(A) 'Early identification' means detecting emotional disturbance in its initial developmental stage;

"(B) 'Early intervention services' for children at risk of later development of emotional disturbances means programs and activities for children and their families that promote conditions, opportunities and experiences that encourage and develop emotional stability, self-sufficiency and increased personal competence; and

"(C) 'Primary prevention efforts' means efforts that prevent emotional problems from occurring by addressing issues early so that disturbances do not have an opportunity to develop; and

"(m) Preventive mental health services for older adults, including primary prevention efforts, early identification and early intervention services. Preventive services should be patterned after service models that have demonstrated effectiveness in reducing the incidence of emotional and behavioral disorders and suicide attempts in older adults. As used in this paragraph:

"(A) 'Early identification' means detecting emotional disturbance in its initial developmental stage;

"(B) 'Early intervention services' for older adults at risk of development of emotional disturbances means programs and activities for older adults and their families that promote conditions, opportunities and experiences that encourage and maintain emotional stability, self-sufficiency and increased

personal competence and that deter suicide; and

"(C) 'Primary prevention efforts' means efforts that prevent emotional problems from occurring by addressing issues early so that disturbances do not have an opportunity to develop.

"(4) A community mental health program shall assume responsibility for psychiatric care in state and community hospitals, as provided in subsection (3)(e) of this section, in the following circumstances:

"(a) The person receiving care is a resident of the county served by the program. For purposes of this paragraph, 'resident' means the resident of a county in which the person maintains a current mailing address or, if the person does not maintain a current mailing address within the state, the county in which the person is found, or the county in which a court-committed person with a mental illness has been conditionally released.

"(b) The person has been hospitalized involuntarily or voluntarily, pursuant to ORS 426.130 or 426.220, except for persons confined to the Secure Child and Adolescent Treatment Unit at Oregon State Hospital, or has been hospitalized as the result of a revocation of conditional release.

"(c) Payment is made for the first 60 consecutive days of hospitalization.

"(d) The hospital has collected all available patient payments and third-party reimbursements.

"(e) In the case of a community hospital, the authority has approved the hospital for the care of persons with mental or emotional disturbances, the community mental health program has a contract with the hospital for the psychiatric care of residents and a representative of the program approves voluntary or involuntary admissions to the hospital prior to admission.

"(5) Subject to the review and approval of the Oregon Health Authority, a **community** mental health program may initiate additional services after the services defined in this section are provided.

"(6) Each community mental health program and the state hospital serving the program's geographic area shall enter into a written agreement con-

cerning the policies and procedures to be followed by the program and the hospital when a patient is admitted to, and discharged from, the hospital and during the period of hospitalization.

"(7) Each community mental health program shall have a mental health advisory committee, appointed by the board of county commissioners or the county court or, if two or more counties have combined to provide mental health services, the boards or courts of the participating counties or, in the case of a Native American reservation, the tribal council.

"(8) A community mental health program may request and the authority may grant a waiver regarding provision of one or more of the services described in subsection (3) of this section upon a showing by the county and a determination by the authority that persons with mental or emotional disturbances in that county would be better served and unnecessary institutionalization avoided.

"(9)(a) As used in this subsection, 'local mental health authority' means one of the following entities:

"(A) The board of county commissioners of one or more counties that establishes or operates a community mental health program;

"(B) The tribal council, in the case of a federally recognized tribe of Native Americans that elects to enter into an agreement to provide mental health services; or

"(C) A regional local mental health authority comprising two or more boards of county commissioners.

"(b) Each local mental health authority that provides mental health services shall determine the need for local mental health services and adopt a comprehensive local plan for the delivery of mental health services for children, families, adults and older adults that describes the methods by which the local mental health authority shall provide those services. [*The local mental health authority shall review and revise the local plan biennially.*] The purpose of the local plan is to create a blueprint to provide mental health

services that are directed by and responsive to the mental health needs of individuals in the community served by the local plan. **A local mental health authority shall coordinate its local planning with the development of the community health improvement plan under section 13, chapter 8, Oregon Laws 2012, by the coordinated care organization serving the area. The Oregon Health Authority may require a local mental health authority to review and revise the local plan periodically.**

"(c) The local plan shall identify ways to:

"(A) Coordinate and ensure accountability for all levels of care described in paragraph (e) of this subsection;

"(B) Maximize resources for consumers and minimize administrative expenses;

"(C) Provide supported employment and other vocational opportunities for consumers;

"(D) Determine the most appropriate service provider among a range of qualified providers;

"(E) Ensure that appropriate mental health referrals are made;

"(F) Address local housing needs for persons with mental health disorders;

"(G) Develop a process for discharge from state and local psychiatric hospitals and transition planning between levels of care or components of the system of care;

"(H) Provide peer support services, including but not limited to drop-in centers and paid peer support;

"(I) Provide transportation supports; and

"(J) Coordinate services among the criminal and juvenile justice systems, adult and juvenile corrections systems and local mental health programs to ensure that persons with mental illness who come into contact with the justice and corrections systems receive needed care and to ensure continuity

of services for adults and juveniles leaving the corrections system.

"(d) When developing a local plan, a local mental health authority shall:

"(A) Coordinate with the budgetary cycles of state and local governments that provide the local mental health authority with funding for mental health services;

"(B) Involve consumers, advocates, families, service providers, schools and other interested parties in the planning process;

"(C) Coordinate with the local public safety coordinating council to address the services described in paragraph (c)(J) of this subsection;

"(D) Conduct a population based needs assessment to determine the types of services needed locally;

"(E) Determine the ethnic, age-specific, cultural and diversity needs of the population served by the local plan;

"(F) Describe the anticipated outcomes of services and the actions to be achieved in the local plan;

"(G) Ensure that the local plan coordinates planning, funding and services with:

"(i) The educational needs of children, adults and older adults;

"(ii) Providers of social supports, including but not limited to housing, employment, transportation and education; and

"(iii) Providers of physical health and medical services;

"(H) Describe how funds, other than state resources, may be used to support and implement the local plan;

"(I) Demonstrate ways to integrate local services and administrative functions in order to support integrated service delivery in the local plan; and

"(J) Involve the local mental health advisory committees described in subsection (7) of this section.

"(e) The local plan must describe how the local mental health authority will ensure the delivery of and be accountable for clinically appropriate

services in a continuum of care based on consumer needs. The local plan shall include, but not be limited to, services providing the following levels of care:

"(A) Twenty-four-hour crisis services;

"(B) Secure and nonsecure extended psychiatric care;

"(C) Secure and nonsecure acute psychiatric care;

"(D) Twenty-four-hour supervised structured treatment;

"(E) Psychiatric day treatment;

"(F) Treatments that maximize client independence;

"(G) Family and peer support and self-help services;

"(H) Support services;

"(I) Prevention and early intervention services;

"(J) Transition assistance between levels of care;

"(K) Dual diagnosis services;

"(L) Access to placement in state-funded psychiatric hospital beds;

"(M) Precommitment and civil commitment in accordance with ORS chapter 426; and

"(N) Outreach to older adults at locations appropriate for making contact with older adults, including senior centers, long term care facilities and personal residences.

"(f) In developing the part of the local plan referred to in paragraph (c)(J) of this subsection, the local mental health authority shall collaborate with the local public safety coordinating council to address the following:

"(A) Training for all law enforcement officers on ways to recognize and interact with persons with mental illness, for the purpose of diverting them from the criminal and juvenile justice systems;

"(B) Developing voluntary locked facilities for crisis treatment and follow-up as an alternative to custodial arrests;

"(C) Developing a plan for sharing a daily jail and juvenile detention center custody roster and the identity of persons of concern and offering

mental health services to those in custody;

"(D) Developing a voluntary diversion program to provide an alternative for persons with mental illness in the criminal and juvenile justice systems; and

"(E) Developing mental health services, including housing, for persons with mental illness prior to and upon release from custody.

"(g) Services described in the local plan shall:

"(A) Address the vision, values and guiding principles described in the Report to the Governor from the Mental Health Alignment Workgroup, January 2001;

"(B) Be provided to children, older adults and families as close to their homes as possible;

"(C) Be culturally appropriate and competent;

"(D) Be, for children, older adults and adults with mental health needs, from providers appropriate to deliver those services;

"(E) Be delivered in an integrated service delivery system with integrated service sites or processes, and with the use of integrated service teams;

"(F) Ensure consumer choice among a range of qualified providers in the community;

"(G) Be distributed geographically;

"(H) Involve consumers, families, clinicians, children and schools in treatment as appropriate;

"(I) Maximize early identification and early intervention;

"(J) Ensure appropriate transition planning between providers and service delivery systems, with an emphasis on transition between children and adult mental health services;

"(K) Be based on the ability of a client to pay;

"(L) Be delivered collaboratively;

"(M) Use age-appropriate, research-based quality indicators;

"(N) Use best-practice innovations; and

"(O) Be delivered using a community-based, multisystem approach.

"(h) A local mental health authority shall submit to the Oregon Health Authority a copy of the local plan and [*biennial*] revisions adopted under paragraph (b) of this subsection at time intervals established by the **Oregon Health** Authority.

"SECTION 5. ORS 430.632 is amended to read:

"430.632. **The Oregon Health Authority may require** a local mental health authority [*shall submit to*] **to periodically report to** the Oregon Health Authority [*by October 1 of each even-numbered year a report*] on the implementation of the comprehensive local plan adopted under ORS 430.630 (9).

"SECTION 6. ORS 430.640 is amended to read:

"430.640. (1) The Oregon Health Authority, in carrying out the legislative policy declared in ORS 430.610, subject to the availability of funds, shall:

"(a) Assist Oregon counties and groups of Oregon counties in the establishment and financing of community mental health programs operated or contracted for by one or more counties.

"(b) If a county declines to operate or contract for a community mental health program, contract with another public agency or private corporation to provide the program. The county must be provided with an opportunity to review and comment.

"(c) In an emergency situation when no community mental health program is operating within a county or when a county is unable to provide a service essential to public health and safety, operate the program or service on a temporary basis.

"(d) At the request of the tribal council of a federally recognized tribe of Native Americans, contract with the tribal council for the establishment and operation of a community mental health program in the same manner in which the authority contracts with a county court or board of county commissioners.

"(e) If a county agrees, contract with a public agency or private corporation for all services within one or more of the following program areas:

"(A) Mental or emotional disturbances.

"(B) Drug abuse.

"(C) Alcohol abuse and alcoholism.

"(f) Approve or disapprove the [*biennial*] **local** plan and budget information for the establishment and operation of each community mental health program. Subsequent amendments to or modifications of an approved plan or budget information involving more than 10 percent of the state funds provided for services under ORS 430.630 may not be placed in effect without prior approval of the authority. However, an amendment or modification affecting 10 percent or less of state funds for services under ORS 430.630 within the portion of the program for persons with mental or emotional disturbances or within the portion for persons with alcohol or drug dependence may be made without authority approval.

"(g) Make all necessary and proper rules to govern the establishment and operation of community mental health programs, including adopting rules defining the range and nature of the services which shall or may be provided under ORS 430.630.

"(h) Collect data and evaluate services in the state hospitals in accordance with the same methods prescribed for community mental health programs under ORS 430.634.

"(i) Develop guidelines that include, for the development of comprehensive local plans in consultation with local mental health authorities:

"(A) The use of integrated services;

"(B) The outcomes expected from services and programs provided;

"(C) Incentives to reduce the use of state hospitals;

"(D) Mechanisms for local sharing of risk for state hospitalization;

"(E) The provision of clinically appropriate levels of care based on an assessment of the mental health needs of consumers;

"(F) The transition of consumers between levels of care; and

"(G) The development, maintenance and continuation of older adult mental health programs with mental health professionals trained in geriatrics.

"(j) Work with local mental health authorities to provide incentives for community-based care whenever appropriate while simultaneously ensuring adequate statewide capacity.

"(k) Provide technical assistance and information regarding state and federal requirements to local mental health authorities throughout the local planning process required under ORS 430.630 (9).

"(L) Provide incentives for local mental health authorities to enhance or increase vocational placements for adults with mental health needs.

"(m) Develop or adopt nationally recognized system-level performance measures, linked to the Oregon Benchmarks, for state-level monitoring and reporting of mental health services for children, adults and older adults, including but not limited to quality and appropriateness of services, outcomes from services, structure and management of local plans, prevention of mental health disorders and integration of mental health services with other needed supports.

"(n) Develop standardized criteria for each level of care described in ORS 430.630 (9), including protocols for implementation of local plans, strength-based mental health assessment and case planning.

"(o) Develop a comprehensive long-term plan for providing appropriate and adequate mental health treatment and services to children, adults and older adults that is derived from the needs identified in local plans, is consistent with the vision, values and guiding principles in the Report to the Governor from the Mental Health Alignment Workgroup, January 2001, and addresses the need for and the role of state hospitals.

"(p) Report biennially to the Governor and the Legislative Assembly on the progress of the local planning process and the implementation of the local plans adopted under ORS 430.630 (9)(b) and the state planning process

described in paragraph (o) of this subsection, and on the performance measures and performance data available under paragraph (m) of this subsection.

"(q) On a periodic basis, not to exceed 10 years, reevaluate the methodology used to estimate prevalence and demand for mental health services using the most current nationally recognized models and data.

"(r) Encourage the development of regional local mental health authorities comprised of two or more boards of county commissioners that establish or operate a community mental health program.

"(2) The Oregon Health Authority may provide technical assistance and other incentives to assist in the planning, development and implementation of regional local mental health authorities whenever the Oregon Health Authority determines that a regional approach will optimize the comprehensive local plan described under ORS 430.630 (9).

"(3) The enumeration of duties and functions in subsections (1) and (2) of this section shall not be deemed exclusive nor construed as a limitation on the powers and authority vested in the authority by other provisions of law.

"SECTION 7. ORS 431.385 is amended to read:

"431.385. (1) The local public health authority shall submit [*an annual*] **a local** plan to the Oregon Health Authority for performing services pursuant to ORS 431.375 to 431.385 and 431.416. The [*annual*] **local** plan shall be [*submitted*] **updated periodically** on a date established by the Oregon Health Authority by rule or on a date mutually agreeable to the authority and the local public health authority.

"(2) If the local public health authority decides not to submit [*an annual*] **a local** plan under the provisions of ORS 431.375 to 431.385 and 431.416, the authority shall become the local public health authority for that county or health district.

"(3) The authority shall review and approve or disapprove each **local** plan. Variances to the local public health plan must be approved by the au-

thority. In consultation with the Conference of Local Health Officials, the authority shall establish the elements of a **local** plan and an appeals process whereby a local **public** health authority may obtain a hearing if its **local** plan is disapproved.

"(4) Each local commission on children and families shall reference the local public health plan in the local coordinated comprehensive plan created pursuant to ORS 417.775.

"**(5) The Oregon Health Authority may adopt uniform timelines and requirements for the submission of local plans by local public health authorities and local mental health authorities and the submission of community health improvement plans by coordinated care organizations to the extent that the requirements for local plans and community health improvement plans overlap.**

"**SECTION 8.** ORS 431.385, as amended by section 102, chapter 37, Oregon Laws 2012, is amended to read:

"431.385. (1) The local public health authority shall submit [*an annual*] **a local** plan to the Oregon Health Authority for performing services pursuant to ORS 431.375 to 431.385 and 431.416. The [*annual*] **local** plan shall be [*submitted*] **updated periodically** on a date established by the Oregon Health Authority by rule or on a date mutually agreeable to the authority and the local public health authority.

"(2) If the local public health authority decides not to submit [*an annual*] **a local** plan under the provisions of ORS 431.375 to 431.385 and 431.416, the authority shall become the local public health authority for that county or health district.

"(3) The authority shall review and approve or disapprove each **local** plan. Variances to the local public health plan must be approved by the authority. In consultation with the Conference of Local Health Officials, the authority shall establish the elements of a **local** plan and an appeals process whereby a local **public** health authority may obtain a hearing if its **local**

plan is disapproved.

"(4) The Oregon Health Authority may adopt uniform timelines and requirements for the submission of local plans by local public health authorities and local mental health authorities and the submission of community health improvement plans by coordinated care organizations to the extent that the requirements for local plans and community health improvement plans overlap.

"SECTION 9. ORS 431.416 is amended to read:

"431.416. The local public health authority or health district shall:

"(1) Administer and enforce the rules of the local public health authority or the health district and public health laws and rules of the Oregon Health Authority.

"(2) Assure activities necessary for the preservation of health or prevention of disease in the area under its jurisdiction as provided in the [*annual*] **local** plan of the authority or district are performed. These activities shall include but not be limited to:

"(a) Epidemiology and control of preventable diseases and disorders;

"(b) Parent and child health services, including family planning clinics as described in ORS 435.205;

"(c) Collection and reporting of health statistics;

"(d) Health information and referral services; and

"(e) Environmental health services.

"SECTION 10. ORS 624.510 is amended to read:

"624.510. (1) The Director of the Oregon Health Authority shall enter into an intergovernmental agreement with each local public health authority established under ORS 431.375, delegating to the local public health authority the administration and enforcement within the jurisdiction of the local public health authority of the powers, duties and functions of the director under ORS 624.010 to 624.121, 624.310 to 624.430, 624.650 and 624.992. The intergovernmental agreement must describe the powers, duties and functions of the

local public health authority relating to fee collection, licensing, inspections, enforcement, civil penalties and issuance and revocation of permits and certificates, standards for enforcement by the local public health authority and the monitoring to be performed by the Oregon Health Authority. The Oregon Health Authority shall establish the descriptions and standards in consultation with the local public health authority officials and in accordance with ORS 431.345. The intergovernmental agreement must be a part of the local [*annual*] plan submitted by the local public health authority under ORS 431.385. The Oregon Health Authority shall review the performance of the local public health authority under any expiring intergovernmental agreement. The review shall include criteria to determine if provisions of ORS 624.073 are uniformly applied to all licensees within the jurisdiction of the local public health authority. In accordance with ORS chapter 183, the director may suspend or rescind an intergovernmental agreement under this subsection. If the Oregon Health Authority suspends or rescinds an intergovernmental agreement, the unexpended portion of the fees collected under subsection (2) of this section shall be available to the Oregon Health Authority for carrying out the powers, duties and functions under this section.

"(2) A local public health authority shall collect fees on behalf of the Oregon Health Authority that are adequate to cover the administration and enforcement costs incurred by the local public health authority under this section and the cost of oversight by the Oregon Health Authority. If the fee collected by a local public health authority for a license or service is more than 20 percent above or below the fee for that license or service charged by the Oregon Health Authority, the Oregon Health Authority shall analyze the local public health authority fee process and determine whether the local public health authority used the proper cost elements in determining the fee and whether the amount of the fee is justified. Cost elements may include, but need not be limited to, expenses related to administration, program costs, salaries, travel expenses and Oregon Health Authority consultation fees. If

the Oregon Health Authority determines that the local public health authority did not use the proper cost elements in determining the fee or that the amount of the fee is not justified, the Oregon Health Authority may order the local public health authority to reduce any fee to a level supported by the Oregon Health Authority's analysis of the fee process.

"(3) The Oregon Health Authority, after consultation with groups representing local health officials in the state, shall by rule assess a remittance from each local public health authority to which health enforcement powers, duties or functions have been delegated under subsection (1) of this section. The amount of the remittance must be specified in the intergovernmental agreement. The remittance shall supplement existing funds for consultation services and development and maintenance of the statewide food service program. The Oregon Health Authority shall consult with groups representing local health officials in the state and statewide restaurant associations in developing the statewide food service program.

"(4) In any action, suit or proceeding arising out of local public health authority administration of functions pursuant to subsection (1) of this section and involving the validity of a rule adopted by the Oregon Health Authority, the Oregon Health Authority shall be made a party to the action, suit or proceeding.".

In line 29, delete "3" and insert "11".

FISCAL IMPACT OF PROPOSED LEGISLATION **Measure: HB 2087 - A2**

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: Kim To
Reviewed by: Linda Ames, Linda Gilbert, Monica Brown
Date: 6/5/2013

Measure Description:
Allows a designee of a correctional facility to apply for medical assistance on behalf of person residing in the correctional facility for establishing eligibility for medical assistance during a period of hospitalization that will occur outside of the correctional facility. Modifies requirements for comprehensive local plan adopted by local mental health authority.

Government Unit(s) Affected:
Oregon Health Authority (OHA), Oregon Youth Authority (OYA), Department of Corrections, local correctional facilities, local mental health authorities.

Local Government Mandate:
This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:
House Bill 2087 A-Engrossed authorizes the Department of Corrections, the Oregon Youth Authority, and local correctional facilities to apply for medical assistance on behalf of inmates of the facilities, rather than the inmates being required to apply for themselves. The bill does not declare an emergency and would be assumed to be effective January 1, 2014.

This bill is anticipated to realize savings for the state. However, at this time, the full fiscal impact of this bill is indeterminate. As a point of reference, the Oregon Health Authority (OHA) provides the following information: OHA reports that corrections officials estimate that as many as 75% of potentially eligible inmates refuse to apply for Medicaid benefits given the choice. This bill allows a proxy or designated representative to complete and submit the application. With passage of this bill, it is anticipated that a larger number of inmates will be eligible for medical assistance coverage, and the state would be able to claim Medicaid matching funds for hospital inpatient care provided to incarcerated individuals through the Medical Assistance Programs (MAP), per federal law and regulation, which could result in savings for the Department of Corrections, Oregon Youth Authority, and local correctional entities. OHA estimates that the Department of Corrections could save approximately $13 million in the 2013-15 biennium. The Oregon Youth Authority (OYA) estimates approximately $70,000 in savings a biennium, based on actual hospitalization payments for youth under the custody of OYA. Extrapolating from data provided by Multnomah County, the Oregon Health Authority estimates that Multnomah County could save roughly between $0.75 and 1.0 million in the 2013-15 biennium from submitting claims for inpatient services to Medicaid.

The Oregon Health Authority notes that the responsibility and liability for the information provided on the inmates' applications would be with the designated representative (i.e., the state or local entity that submits the application). This could result in overpayments that the entity would need to repay.

Currently, the OHA does not include corrections inpatient expenses in their budget. Should this bill become law, the Oregon Health Authority will require General Fund dollars and Federal Fund limitation to handle the increased claims. However, additional analysis would be required to determine the final impact of the bill. In addition, the Department of Corrections requires more time and further analysis to predict the workload and expenditures that would be involved in applying for medical assistance. The Oregon Youth Authority will use existing staff and resources to apply for medical assistance on behalf of youths under its custody.

The – A2 amendment allows local mental health authorities flexibility in developing Biennial Implementation Plans by removing specific requirements regarding the timing of the Biennial Implementation Plans. The amendment also requires the plans be coordinated with community health improvement plans developed by coordinate care organizations (CCOs). Complying with these provisions would not result in a fiscal impact for the Oregon Health Authority and local mental health authorities.

77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session **MEASURE: HB 2087 – A2**
STAFF MEASURE SUMMARY

Joint Committee on Ways and Means **Carrier – House: Rep.**
Carrier – Senate: Sen.

Revenue: No revenue impact
Fiscal: Fiscal statement issued

Action:
Vote:
House
Yeas:
Nays:
Exc:
Senate
Yeas:
Nays:
Exc:
Prepared By: Kim To, Legislative Fiscal Office
Meeting Date: 6/14/2013

WHAT THE MEASURE DOES: Authorizes the Department of Corrections, the Oregon Youth Authority, and local correctional facilities to apply for medical assistance on behalf of inmates of the facilities, rather than requiring inmates to apply for themselves. The bill does not declare an emergency and would be assumed to be effective January 1, 2014.

ISSUES DISCUSSED:

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EFFECT OF COMMITTEE AMENDMENT: The –A2 amendment allows local mental health authorities flexibility in developing Biennial Implementation Plans by removing specific requirements regarding the timing of the Biennial Implementation Plans. The amendment also requires the plans be coordinated with community health improvement plans developed by coordinate care organizations (CCOs).

BACKGROUND: Prison officials are obligated under the Eighth Amendment to provide prisoners with adequate medical care. According to *The Oregonian*, prison health services cost the state $100 million per year and those costs are rising as the prison population gets older.

The Oregon Health Authority (OHA) reports that corrections officials estimate that as many as 75% of potentially eligible inmates refuse to apply for Medicaid benefits given the choice. HB 2087 allows a proxy or designated representative to complete and submit the application. With passage of this bill, it is anticipated that a larger number of inmates will be eligible for medical assistance coverage for hospital costs, and the state would be able to claim Medicaid matching funds for hospital inpatient care provided to incarcerated individuals through the Medical Assistance Programs (MAP), per federal law and regulation.

FISCAL IMPACT OF PROPOSED LEGISLATION **Measure: HB 2087 - A**

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: Kim To
Reviewed by: Linda Ames, Linda Gilbert
Date: 4/16/2013

Measure Description:
Allows a designee of a correctional facility to apply for medical assistance on behalf of person residing in the correctional facility for establishing eligibility for medical assistance during a period of hospitalization that will occur outside of the correctional facility.

Government Unit(s) Affected:
Oregon Health Authority (OHA), Oregon Youth Authority (OYA), Department of Corrections, local correctional facilities

Local Government Mandate:
This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:
House Bill 2087 A-Engrossed authorizes the Department of Corrections, the Oregon Youth Authority, and local correctional facilities to apply for medical assistance on behalf of inmates of the facilities, rather than the inmates being required to apply for themselves. The bill does not declare an emergency and would be assumed to be effective January 1, 2014.

This bill is anticipated to realize savings for the state. However, at this time, the full fiscal impact of this bill is indeterminate. As a point of reference, the Oregon Health Authority (OHA) provides the following information: OHA reports that corrections officials estimate that as many as 75% of potentially eligible inmates refuse to apply for Medicaid benefits given the choice. This bill allows a proxy or designated representative to complete and submit the application. With passage of this bill, it is anticipated that a larger number of inmates will be eligible for medical assistance coverage, and the state would be able to claim Medicaid matching funds for hospital inpatient care provided to incarcerated individuals through the Medical Assistance Programs (MAP), per federal law and regulation, which could result in savings for the Department of Corrections, Oregon Youth Authority, and local correctional entities. OHA estimates that the Department of Corrections could save approximately $13 million in the 2013-15 biennium. The Oregon Youth Authority (OYA) estimates approximately $70,000 in savings a biennium, based on actual hospitalization payments for youth under the custody of OYA. Extrapolating from data provided by Multnomah County, the Oregon Health Authority estimates that Multnomah County could save roughly between $0.75 and 1.0 million in the 2013-15 biennium from submitting claims for inpatient services to Medicaid.

The Oregon Health Authority notes that the responsibility and liability for the information provided on the inmates' applications would be with the designated representative (i.e., the state or local entity that submits the application). This could result in overpayments that the entity would need to repay.

Currently, the OHA does not include corrections inpatient expenses in their budget. Should this bill become law, the Oregon Health Authority will require General Fund dollars and Federal Fund limitation to handle the increased claims. However, additional analysis would be required to determine the final impact of the bill.

In addition, the Department of Corrections requires more time and further analysis to predict the workload and expenditures that would be involved in applying for medical assistance.

The Oregon Youth Authority will use existing staff and resources to apply for medical assistance on behalf of youths under its custody.

77th OREGON LEGISLATIVE ASSEMBLY – 2013 Regular Session **MEASURE: HB 2087 A**
STAFF MEASURE SUMMARY **CARRIER:**
House Committee on Health Care

REVENUE: No revenue impact
FISCAL: Fiscal statement issued

Action:		Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means
Vote:		9 - 0 - 0
	Yeas:	Clem, Conger, Harker, Kennemer, Keny-Guyer, Lively, Thompson, Weidner, Greenlick
	Nays:	0
	Exc.:	0
Prepared By:		Tyler Larson, Administrator
Meeting Dates:		4/12

WHAT THE MEASURE DOES: Allows designee of correctional facility apply for medical assistance on behalf of person residing in facility for purpose of establishing eligibility for medical assistance during a period of hospitalization outside facility. Allows designee obtain information to determine eligibility. Requires effective date of medical assistance be date person begins hospitalization outside facility. Requires person, agency or institution having legal custody of youth or youth offender obtain and disclose information necessary for Social Security benefits, public assistance or medical assistance on behalf of youth or youth offender. Declares emergency, effective on passage.

ISSUES DISCUSSED:
- Provisions of the bill
- Medical costs of inmates and eligibility for medical assistance

EFFECT OF COMMITTEE AMENDMENT: Replaces the measure.

BACKGROUND: Prison officials are obligated under the Eighth Amendment to provide prisoners with adequate medical care. According to *The Oregonian*, prison health services cost the state $100 million per year and those costs are rising as the prison population gets older.

House Bill 2087-A will reduce some health care costs by allowing prison officials to seek medical assistance for qualifying individuals who will be receiving hospital treatment outside of facility.