

OHA/ADDICTIONS AND MENTAL HEALTH

Addictions and Mental Health (AMH) provides treatment services to those afflicted with addictions or mental disorders. Services are delivered through community non-profit providers, county mental health agencies, as well as the state hospital system which has facilities in Salem, Portland, and Pendleton.

ADDICTIONS AND MENTAL HEALTH	2009-11 Actuals	2011-13 Leg. Approved	2013-15 Current Service Level	2013-15 Governor's Budget	2013-15 Co-Chairs' Budget (1.0)	% Change 2013-15 CSL to 2013-15 GBB
General Fund	579,019,341	660,110,475	720,853,475	678,368,170		-5.9%
Lottery Funds	9,587,187	10,388,614	11,479,452	10,541,165		-8.2%
Other Funds	31,358,629	107,723,010	45,568,906	120,065,549		163.5%
Federal Funds	232,001,936	280,940,716	183,129,459	275,586,729		50.5%
TOTAL FUNDS	\$851,967,093	\$1,059,162,815	\$961,031,292	\$1,084,561,613		12.9%
Positions	2,454	2,334	2,306	2,523		9.4%
FTE	2,123.20	2,316.99	2,298.22	2,254.89		-1.9%

Note: Includes Capital Improvement and Capital Construction budgets.

Major Revenues	Budget Environment	Comparison by Fund Type																				
<ul style="list-style-type: none"> Other Fund sources include beer and wine tax revenue, settlements with third-party insurers, and prescription drug rebates. Lottery Funds are used for the Gambling Addiction and Treatment Program, which normally receives 1% of net lottery proceeds. Federal Funds is predominately Medicaid matching revenues. Other sources include the community mental health services block grant and the substance abuse treatment and prevention block grant. 	<ul style="list-style-type: none"> Continued growth in caseload. Health care transformation, including the transition of Medicaid-funded services to Coordinated Care Organizations (CCO's). January 2014 expansion of Medicaid under Affordable Care Act. Federal funding and policy constraints. Provider and community partner infrastructure and capacity. 	<p>ADDICTIONS AND MENTAL HEALTH</p> <table border="1"> <caption>Revenue Breakdown (Millions of Dollars)</caption> <thead> <tr> <th>Year</th> <th>General Fund/Lottery</th> <th>Other Funds</th> <th>Federal Funds</th> </tr> </thead> <tbody> <tr> <td>2009-11</td> <td>\$589</td> <td>\$31</td> <td>\$232</td> </tr> <tr> <td>2011-13</td> <td>\$670</td> <td>\$108</td> <td>\$281</td> </tr> <tr> <td>2013-15</td> <td>\$732</td> <td>\$46</td> <td>\$183</td> </tr> <tr> <td>2013-15 GBB</td> <td>\$689</td> <td>\$120</td> <td>\$276</td> </tr> </tbody> </table>	Year	General Fund/Lottery	Other Funds	Federal Funds	2009-11	\$589	\$31	\$232	2011-13	\$670	\$108	\$281	2013-15	\$732	\$46	\$183	2013-15 GBB	\$689	\$120	\$276
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MAJOR CHALLENGES AND DECISION POINTS

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| <ol style="list-style-type: none"> 1. Under the Affordable Care Act, Oregon has the option to expand health coverage under Medicaid to all persons under 138% FPL, effective January 2014. An estimated 225,000 adults would be added to the program during the 2013-15 biennium. This expansion would be entirely federally funded through 2016 (with the exception of administrative costs). A portion of the indigent adults that AMH currently serves using General Fund, as well as those currently not served due to insufficient capacity, would now be covered under the Oregon Health Plan and funded with federal dollars. 2. Increases in mandated caseload in the community mental health system will cost about \$45 million General Fund in 2013-15, based on the Fall 2012 forecast. 3. In July 2012, CMS approved Oregon's Medicaid waiver allowing implementation of health system transformation, including CCO's. CMS agreed to invest \$1.9 billion in Oregon's system over five years, through a program called the Designated State Health Programs (DSHP). Resources expected during the 2013-15 biennium total \$910 million for the agency. The Governor's budget for 2013-15 includes \$100 million of this revenue that will flow through AMH, although the increased resources ultimately end up in Medical Assistance Programs. 4. The Governor's budget moves \$68 million General Fund and \$179 million total funds from the Addictions and Mental Health program to MAP. This is the funding for mental health and addiction services that receive Medicaid match funding, and will be moved to CCOs. 5. OHA has recently entered into an agreement with the U.S. Department of Justice to address issues relating to the civil rights of people living with mental illness to receive treatment in the least restrictive environment possible. The agreement creates a framework and timeline for the state, CCOs, and local mental health agencies to work together to improve care. | <ol style="list-style-type: none"> 6. The Governor's budget includes a significant investment in community mental health and addictions services. About \$45 million General Fund is reinvested in the program. These are funds that would not be needed for current program level because of the expansion of Medicaid coverage in 2014. In addition, \$12.6 million General Fund is used to expand successful programs including the Early Assessment and Support Alliance (EASA) program, supported housing and peer-delivered services, supported employment, and the Intensive Treatment and Recovery Services (ITRS) program. Budget reductions include the elimination of COLAs for certain providers, for a savings of \$8.4 million General Fund. 7. The Health System Transformation Pool is funded at \$30 million General Fund in the Governor's budget. This is a strategic investment to support innovative partnerships, especially among CCOs, the community mental health system, long term care, and public health. About half the funding is intended to benefit the community mental health system. 8. The completion of the hospital in Junction City during the 2013-15 biennium is expected to require about \$79 million in additional bond proceeds. The hospital would be completed by the end of 2014, in time to transition patients from the Portland facility before that lease ends in March 2015. The Governor's budget includes this bond revenue. 9. The Governor's budget includes \$3 million General Fund for operating the new Junction City hospital for the last three months of the biennium, as well as savings for closing the Portland and Blue Mountain facilities. The Portland campus will close when the lease ends in March 2015. The Blue Mountain Recovery Center is scheduled to close January 2014, earlier than originally anticipated. 10. The Governor's budget continues the non-direct care reductions for the hospital for a savings of \$9.7 million General Fund, and closes one geropsychiatric ward at the Salem campus to save \$8.8 million. |
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