

Chair Boquist and Members of the Veterans and Emergency Preparedness Committee,

My name is Representative Cedric Hayden and I am here today to ask you to support Senate Bill 1054. I want to talk about two reasons why inpatient beds for veterans and our servicemembers are needed in Oregon. First, the shortage of inpatient psychiatric beds in Oregon. Second, the astronomical cost and burden of applying for a Certificate of Need.

Need for Inpatient Psychiatric Beds in Oregon

The reason for this is that we simply do not have enough inpatient psychiatric beds to meet the needs of the people here in Oregon. The Treatment Advocacy Center recommends a minimum of 40 inpatient psychiatric beds per 100,000 people, but Oregon has fewer than half that number.

On October 28th, 2016, the College of Public Health and Human Services at Oregon State University released a report commissioned for the Oregon Health Authority entitled, "ED Boarding of Psychiatric Patients in Oregon." In that report, the authors found that nearly one out of every four severe psychiatric visits to emergency departments (ED) in Oregon resulted in psychiatric boarding. The authors estimate 2.1% of all hospital ED visits in Oregon or nearly 30,000 visits from Oct. 2014 to Sep 2015, were psychiatric ED boarding episodes, based on the definition of an ED boarding as a stay in the ED longer than 6 hours.

So, it is no wonder that the authors of the OSU study noted that one of the solutions to this problem would be an increase in inpatient psychiatric care capacity. But this hasn't happened. In fact, the number of available inpatient psychiatric beds has been reduced in the last year.

Cost and Burden of the Certificate of Need Process

Part of the reason for this is that the Certificate of Need process here in Oregon is burdensome, costly, and discourages hospitals from providing new inpatient psychiatric care. Just the application fee alone for a \$1.5 million dollar facility is almost \$35,000. For a \$10 million dollar facility, the application fee is over \$70,000. But in addition to these fees, a facility must own the property where it will build the new psychiatric unit, hire architects and other professionals to complete the application, and go through an often years-long Certificate process with the Oregon Health Authority, just to obtain the right to build a hospital. As a result, it can cost hundreds of thousands of dollars simply to complete a Certificate of Need application in Oregon before a single new psychiatric bed has been built or a patient has been served.

Senate Bill 1054 would help to solve this problem when it comes to care for our veterans and service members. This bill would lift the Certificate of Need requirement for two years for facilities that serve veterans and active duty members of our military. Especially when it comes to our veterans and the men and women who serve our country, I believe that not addressing the psychiatric boarding crisis in our state is simply not an option. I respectfully ask that you support Senate Bill 1054.