

ANALYSIS

Item 13: Oregon Health Authority Oregon State Hospital Staffing

Analyst: Tom MacDonald

Request: Appropriate \$33.5 million General Fund and establish 493 positions (319.78 FTE) to address staffing shortfalls in the Oregon State Hospital.

Analysis: The Oregon Health Authority (OHA) is requesting \$33.5 million General Fund to establish 493 positions (319.78 FTE) at the Oregon State Hospital (OSH) and make small investments in employee training and the hospital's time and attendance system to resolve staffing shortfalls and improve hospital safety. OHA also recommends making OSH staff eligible for police and fire retirement benefits and adopting a 36-hour schedule for nurses, both of which require statutory or significant policy changes and currently have an unknown cost impact.

Summary of OHA Request	2021-23 General Fund	2023-25 General Fund	Positions
Direct Care Staffing Increases; Position Conversions	26,502,679	52,210,230	437
Clinical Services Staffing Increases	3,158,365	5,726,562	30
Operations and Administrative Staffing Increases	3,395,020	4,896,713	26
Training; Time and Attendance System	450,000	422,000	0
Police and Fire Retirement / 36-Hour Workweek	TBD	TBD	0
Total OHA Request	33,506,064	63,255,505	493

The Legislative Fiscal Office (LFO) recommends deferring action on OHA's request to the February 2022 legislative session. A significant number of existing budgeted positions remain vacant at OSH, which calls into question timing for establishing new ones. The proposal's sustainability also merits further review in terms of its cost and the extent to which it addresses the root cause of the hospital's staffing challenges.

Background: OSH is a 24-hour psychiatric hospital with the capacity to serve up to 742 patients at its Salem (592 beds) and Junction City (150 beds) campuses. The hospital's 2021-23 operating budget totals \$726.2 million and supports 2,425 positions. OSH has become increasingly challenged to hire and retain a sufficient level of direct care (nurses, mental health therapists/technicians) and security staff to safely care for patients. OHA's request indicates the primary reasons for this are the increased acuity level of the patient population resulting from more patients being admitted with criminal forensic needs and staff burnout from the COVID-19 pandemic. Yet shortfalls in the hospital's staffing levels have been present for the past several years. Other contributing factors might be pay and benefits relative to other hospitals (i.e. competition); work environment, culture, and staff morale; constraints with scheduling staff to meet OSH's 24/7 needs; and limited mental health care labor pools in Salem and Junction City.

Shortfalls in daily staffing needs have materialized from a growing number of staff resignations and retirements, staff on approved or unapproved leave, and - until June 30, 2021 - staff on extended

COVID-19 childcare leave available under temporary labor agreements. The severity of this problem resulted in the three-week deployment of 30 National Guard members to assist the hospital in early June 2021 and then again in September 2021. This cost is expected to be 100% reimbursed by the Federal Emergency Management Agency (FEMA). The hospital has also established temporary bonuses to incentivize the recruitment and retention of nursing staff and signed letters of agreement with AFSCME and SEIU to pay represented direct care staff an additional 30% of salary on weekdays and 75% on weekends from October 1, 2021 through February 1, 2022. Assuming the letters of agreement are not renewed, these costs are estimated at \$9 million, which the hospital expects to fund through vacancy savings.

Simply increasing the hospital's budget and position authority was not a practical solution prior to the end of the 2021 legislative session because the hospital was unable to hire new staff quickly enough to offset mounting vacancies. As a result, the Legislature approved a \$20 million special purpose appropriation to the Emergency Board in HB 5024 (2021) along with the following budget note directing OHA to develop a sustainable plan to resolve the staffing shortfalls:

The Oregon Health Authority (OHA) shall consult with relevant stakeholders to resolve staffing shortfalls at the Oregon State Hospital. The relevant stakeholders OHA shall consult with include, but are not limited to, managerial and direct care staff employed by the Oregon State Hospital; community mental health programs; and hospital and other health care providers. No later than November 1, 2021, OHA shall submit a financially and programmatically sustainable plan to the Emergency Board or Interim Joint Committee on Ways and Means that provides solutions for maintaining appropriate daily staffing levels to ensure the safety of both patients and staff.

To develop the plan, OSH formed a Staffing Solutions workgroup with representatives from AFSCME, SEIU, and OSH managers and leadership to identify and address the causes of direct care staffing shortfalls. The hospital also consulted management from clinical programs and operations to ensure needs are being met in those areas. This process resulted in five overall recommendations. The information that follows provides more detail on these proposals and LFO's recommendation.

Recommendation #1 - Direct Care Staff

Posting factor (\$26.5 million, 303 positions): The most significant part of the recommendation is the adoption of a posting factor (or shift relief factor) to calculate the minimum daily direct care staffing requirement funded in OSH's budget. Posting factors are commonly used to budget for positions in police, fire, and correctional environments, which rely on posts that must be covered on a continuous basis. The purpose is to maintain a staffing level that accounts for the time regularly assigned employees are occupied elsewhere, such as with vacations, sick leave, and holidays. OSH has traditionally relied on overtime, float pools, and contractual or limited duration staff to cover for permanent staff unavailable to report to work. One of the reasons for moving away from this approach is to create a more program-based staffing model that provides continuity on patient units and strengthens teams, employee expertise, and accountability.

At a high level, positing factors determine the number of full-time equivalent positions needed to cover a post by dividing the number of staffing hours a post requires each year by the amount of time an employee is available after accounting for weekends, holidays, and leave time. The Oregon Department of Corrections and Oregon Youth Authority use a posting factor calculation in their budgets and were consulted in OSH's calculation of direct care staffing needs at the Salem and Junction City campuses.

OSH's calculation relied on the hospital's nurse staffing committees at each campus to determine the number of hours and type of staff needed at each post on a daily basis.

This process determined OSH was already 33 positions short of meeting the committees' recommended staffing levels. OSH then determined the average time employees are on leave using 2019 data to exclude the impact the pandemic has had on hospital operations. Inclusive of the 33 positions, the calculation determined OSH should be staffed by an additional 283 Licensed Practical Nurses, Mental Health Registered Nurses, Mental Health Therapists, Mental Health Therapy Technicians, and Nurse Managers. The Staffing Solutions workgroup also viewed security positions as direct care positions given their role in keeping staff and patients safe. By using the same posting factor process as above, the workgroup determined the need for an additional 20 Mental Health Security Technician positions.

Overall, the recommended posting factor is estimated to cost \$26.5 million General Fund in 2021-23 based on an increase of 303 nursing and security positions with phased-in start dates of March 1, 2022 (166 positions), October 1, 2022 (92 positions), and April 1, 2023 (45 positions).

Position Conversions (no cost, 134 positions): OHA is also requesting to convert 134 existing non-budgeted limited duration Mental Health Therapy Technician positions to permanent full-time. This adjustment would only result in an increase in OSH's legislatively approved position count and not an increase in funding because the agency has already established the positions and funded them within OSH's existing budget. One of the reasons given for converting these to permanent positions is because they are included in the existing position data used to calculate the posting factor discussed above. OSH also notes this action would support the program-based staffing model the posting factor aims to build.

As additional context, OSH established these limited duration positions based on staffing levels previously set by the nurse staffing committees. These positions are presumed to be funded from savings in other parts of OSH's budget; however, the source of this savings remains unclear.

Recommendation #2 - Clinical Services Staff

Psychiatry / Social Work (\$3.2 million, 30 positions): In addition to direct care staff, OHA recommends 30 additional clinical positions to address the heightened acuity level of the patient population. These positions include Medical Assistants to enable the hospital's psychiatrists to spend more time addressing clinical patient needs instead of administration functions, and Psychiatric Social Workers to address the increase in patients requiring competency and restoration services under "aid and assist" court orders. The number of positions requested is based on input from management in the hospital's clinical programs and not a posting factor calculation. The estimated 2021-23 cost is \$3.2 million General Fund assuming all positions are hired as of March 1, 2022.

Recommendation #3 - Support Staff

Operations and Administration (\$3.1 million, 25 positions): OHA's request also recommends other position increases for a variety of operational and administrative functions. This includes 10 positions to support food service, custodial work, maintenance, mail equipment operations, and electronic security system needs. The remaining positions would be responsible for administrative functions related to supporting the other position increases. These include timekeepers, information technology and reporting staff, human resources and financial analysts, and compliance staff. The estimated cost is \$3.1 million assuming the positions phase-in between March 1, 2022 and October 1, 2022.

Recommendation 4 - Staff Training and Scheduling

Training / Scheduling System (\$770,108, one position): The request includes \$350,000 to increase to the hospital's training budget, which equates to \$300 per existing and proposed nursing positions. This increase would support training activities inside the hospital and at outside events to foster employee development and keep staff engaged with their jobs. To coordinate training curricula, \$195,711 is included for a registered nurse position (0.67 FTE).

OHA's recommendation also addresses the hospital's scheduling system, which mostly relies on manual processes. Given the body of work and criticality of managing staff schedules to ensure patient needs are safely met, OHA requests \$224,397 for additional system modules that would identify trends and serve as a predictive tool for managing staffing requirements. The cost includes \$124,397 General Fund for a Data Specialist and \$100,000 for upfront vendor costs. The recurring biennial costs for the modules after 2021-23 would be \$72,000.

Recommendation #5 - Employee Benefits

Retirement, 36-Hour Workweek (cost unknown): The Staffing Solutions workgroup recommends two major employee benefit changes meant to improve recruitment and retention, both of which have undetermined costs and would require statutory or policy changes. First, the workgroup recommends aligning the Public Employees Retirement System (PERS) benefits for all OSH employees with police and firefighter benefits. Legislation to do this was introduced in both the 2017 and 2019 legislative sessions (SB 811 and HB 2785, respectively), but was not adopted.

Second, the workgroup proposes to change the benefit package for Registered Nurses by establishing a 36-hour work week as the equivalent to full time because the 40-hour work week is no longer the industry standard. This change is also likely difficult to implement and would need a broader review to determine the implications on state human resource policies and payroll systems, as well as potential parity issues with nursing staff in other state agencies.

Summary of Legislative Fiscal Office (LFO) Recommendation

LFO recommends deferring OHA's request to the February 2022 legislative session and potentially later depending on the status of several considerations. The impact OHA's plan will have on recruitment and retention is questionable. The proposal assumes the additional positions will achieve this by making the hospital a safer place to work and improving culture through the teams-based approach discussed above. This assumption is not guaranteed and could potentially be underestimating the incentives required to achieve the necessary staffing levels in a highly secured psychiatric hospital like OSH.

The agency recommends enhancing retirement benefits and establishing a 36-hour workweek for nurses to help, but these options face difficult legal and operational challenges and cost estimates are currently unknown. Another avenue may be increasing the pay for Mental Health Therapy Technicians, who comprise the largest number of direct care staff at OSH. At \$16.45 per hour, this position's starting wage is among the lowest in state government and is now competing with rising wages in other industries. The hospital plans on working with the Department of Administrative Services to conduct a salary study for this classification, but a timeline for when this will be done is unavailable.

Another area that merits further review are the staffing levels set by the nurse staffing committees used to inform the posting factor calculation. This information represents the most meaningful part of the calculation yet has not been substantiated by data or thorough an explanation of the assumptions used to determine the number of hours and type of positions needed for each post. The prior establishment of 134 limited duration Mental Health Therapy Technician positions without position authority also

illuminates a disconnect between decisions OHA made based on staffing levels set by the nurse staffing committees and the state’s human resources and budgeting processes. Understanding how OHA will monitor, evaluate, and properly fund future position establishments based on nurse staffing committee recommendations is important with respect to implementing and maintaining a posting factor in OSH’s budget. Also, since the limited duration positions are presumably funded from savings in other parts of OSH’s budget, the agency should first identify the parts of OSH’s budget that will be reduced to fund these positions on an on-going basis.

Importantly, OSH continues to have a significant number of budgeted vacancies for direct care and clinical positions. As summarized in the table below, recent data from the state’s human resources system shows there are 124 such vacancies. LFO believes OSH should make meaningful progress on filling these positions before receiving additional funds to establish more of them.

Position Requests (six largest)	Positions Requested	Current Vacancies*
Mental Health Therapy Technician	133	30
Mental Health Therapist 2	63	20
Mental Health Registered Nurse	51	21
Licensed Practical Nurse	31	30
Mental Health Security Technician	20	17
Psychiatric Social Worker	12	6
Total	310	124

*Based on December 22, 2021 state human resources (Workday) budgeted vacancy report.

Lastly, the plan’s \$33.5 million cost, which will increase to \$63.5 million in 2023-25, far exceeds the \$20 million special purpose appropriation. In the short-term, the cost could be materially reduced by reducing the number of positions and/or extending the plan’s March 1, 2022 hiring date for most of the positions. Based on the timing of the February 2022 legislative session, a more realistic goal to begin phasing-in the positions is May 1, 2022, notwithstanding existing vacancies and staff turnover. The cost also does not account for supporting the National Guard deployments (if FEMA reimbursement is rejected in whole or in part) or the temporary incentive pay, which could be included in a future OHA rebalance request if current assumptions change.

Recommendation: The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means defer action on the request to the 2022 legislative session.

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Oregon Health Authority
Heath

Request: Appropriate \$33,506,064 million General Fund and establish 493 positions (315.78 FTE) to increase staffing levels to improve patient and staff safety at the Oregon State Hospital.

Recommendation: Consider the request during the February 2022 Legislative Session.

Discussion: The Oregon Health Authority (OHA) is requesting \$33,506,064 General Fund and the establishment of 493 positions (315.78 FTE) to hire additional nursing, security, and clinical and administrative staff to improve patient safety and outcomes as well as increase staff safety at the Oregon State Hospital (OSH). This request comes in response to the following budget note included in House Bill 5024 (2021), which says:

The Oregon Health Authority (OHA) shall consult with relevant stakeholders to resolve staffing shortfalls at the Oregon State Hospital. The relevant stakeholders OHA shall consult with include, but are not limited to, managerial and direct care staff employed by the Oregon State Hospital; community mental health programs; and hospital and other health care providers. No later than November 1, 2021, OHA shall submit a financially and programmatically sustainable plan to the Emergency Board or Interim Joint Committee on Ways and Means that provides solutions for maintaining appropriate daily staffing levels to ensure the safety of both patients and staff.

The budget note was created in response to an acute and ongoing staffing shortage at OSH, due to difficulties recruiting and retaining nursing staff. The bill also established a \$20 million special purpose appropriation to maintain appropriate staffing levels based on the work identified in the budget note.

In putting together their plan, OHA consulted with managers at both hospital campuses, as well as representatives of AFSCME and SEIU to develop a response to the budget note. Community mental health programs and hospital and other health care providers mentioned in the budget note were not consulted in putting together the plan. OHA submitted the plan timely to the DAS Chief Financial Office and Legislative Fiscal Office on November 1, 2021.

Nursing and Security Requests

The centerpiece of OHA's plan to address the staffing issues at OSH is to establish a post factor for nursing staff. Because OSH operates facilities that must be securely staffed 24 hours a day, seven days a week, it must maintain a certain level of staffing, at all times. This means for certain positions, staff who take leave or positions are vacant, require OSH to fill behind with either overtime requests of other staff, contractors, or moving staff from other duties to ensure the base staffing levels are met. From a budgetary perspective, the state's other custodial departments (the Oregon Department of Corrections (DOC) and the Oregon Youth Authority) resolve this issue by using a posting factor calculation in building their budget. The posting factor is intended to build in the positions necessary to account for the time when a posted position is expected to be unavailable for work.

OHA worked with DOC to understand how their posting factor calculation works and used that modelling to estimate what a posting factor would cost to implement for OSH's nursing and security departments at their Salem and Junction City campuses. OHA used staffing and financial data from calendar year 2019 to determine the average hours worked per employee per year. For nursing employees at the Salem and Junction City campuses this turned out to be approximately 77% and 79% of the potential work hours in an employment year, respectively. OHA then used this ratio to calculate the number of additional positions needed to ensure the department has sufficient budget and positions to ensure nursing and security posts are staffed appropriately. With the addition of five management positions to supervise the new nursing and security staff, this leads to a request for 266 positions (127.24 FTE) for nursing and security staff at a cost of approximately \$23.2 million.

There are a number of issues with the posting factor calculation as proposed by OHA. One issue with how OHA estimated the posting factor for nursing and security staff, is that the calculation includes leave situations where the leave was unpaid. From a budgetary perspective, an employee taking unpaid leave could result in either overtime or contracting to ensure the post was adequately staffed, but it would also mean savings would accrue due to not paying that employee for the time they were in an unpaid leave status. OHA's estimate treats all leave situations alike and did not account for this potential savings. This stands in contrast to the calculation method used by DOC, which excludes unpaid leave from their posting calculation. Another potential source of savings from implementing a posting factor is from the reduction in the use of overtime or contracted positions. OHA is using its current budget to ensure the necessary positions are adequately staffed through a combination of overtime, contracted positions, and moving positions from their original responsibilities, so it stands to reason there would be some savings should a posting factor explicitly fund this budget challenge that OHA is currently supporting out of its existing budget. OSH preliminarily estimates include approximately \$4.0 million in General Fund savings from reduced use of overtime that hasn't been factored into its request. It is not clear if savings would also be available from the potential reduced need for contracted positions.

In addition to the request to establish a posting factor, OHA's request includes a request to establish 170 positions (154.12 FTE) to meet the staffing requirements laid out by OSH's two nurse staffing committees, at a cost of approximately \$23.1 million General Fund. OHA proposes to fund \$19.8 million General Fund, or 134 positions (134.00 FTE) of this cost by repurposing funding first granted in the August 2020 Special Session to address overtime and contracted staffing costs at OSH, for a net request of approximately \$3.3 million General Fund. Nurse staffing committees are required by Oregon's nurse staffing law to establish the number and type of positions needed for the safe operation of a hospital; however, this process is not necessarily connected to the state's budgeting and human resource processes. The position request reflects changes in the clinical acuity and medical complexity of OSH patients, the danger posed by OSH patients to themselves or others, changes in the number of transfers, admissions and discharges from the hospital, and changes in administrative requirements since the first nurse staffing committee decided on staffing ratios in January 2019. It should be noted that this request is in addition to the \$4.4 million General Fund and 25 positions (25.00 FTE) included in OSH's 2021-23 Legislatively Approved Budget based on the initial determinations by OSH's nurse staff committees. It is unclear at this time whether the remaining budget for overtime and contracted positions will be sufficient for the remainder of the 2021-23 biennium after establishing these positions.

Other Staffing Subcommittee Requests

Aside from the nurse and security staffing requests, the Staffing Subcommittee requested funding for two additional initiatives, for enhanced training coordination and to make upgrades to OSH's scheduling system. OHA is requesting \$545,711 and a permanent full-time Mental Health Registered Nurse position (0.67 FTE) to facilitate training opportunities for all OSH's nurse staff at both campuses. OHA is also requesting \$224,397 and one permanent Data Specialist (0.67 FTE) to purchase a software module to enhance OSH's current scheduling system to better predict staffing needs and trends. Changes to OSH's scheduling system are not in scope for the state's planned upgrade to its payroll system during 2021-23, meaning that OSH's planned upgrades would not be superseded by a statewide solution.

The Staffing Subcommittee also made recommendations to improve recruitment and retention of nursing staff, which would require legislation. This includes a proposal to make direct care staff at OSH eligible for enhanced benefits as PERS police and fire employees instead of their current categorization as general service employees, and a proposal to change the work week required for direct care staff to be considered full-time from 40 hours to 36 hours to better align with industry standards. There are several statutory obstacles to OSH nursing staff to be considered police and fire employees, chief among them requirements by the Internal Revenue Service (IRS) that retirement plans comply with IRS definitions of what it means to be police and fire employees. House Bill 2785 (2019) proposed a similar concept but did not pass. OHA worked on a legislative concept to make this change during the 2021 legislative session but that concept was withdrawn. Regardless, there are implications for OHA's budget and human resources management, potential impacts on the nurse workforce in other departments, and implications for the state's payroll system that will need to be resolved before such a change can be made. It is unclear at this time what the cost of either proposal would be.

Other Requests

In addition to the requests made by the Staffing Subcommittee, OHA included needs identified by other areas within OSH to enhance clinical services, operations, and administrative staff in its request with costs below as follows:

	2021-23 Cost	Positions	FTE
Clinical Services	\$3,158,365	30	16.33
Operations	\$1,101,993	10	6.70
Administration	\$2,293,027	15	10.05
Total	\$6,233,276	55	33.08

Briefly, OHA has requested a total of 30 positions related to clinical services and social work, including 12 positions related to psychiatry and forensic evaluation for Aid and Assist patients, 17 to address workload issues and coordinate care in the Social Work department, and an occupational therapist to assist with patient treatment. OHA has requested a total of 10 positions in operational roles and 15 in administrative roles to assist with a variety of operational and administrative tasks. OHA notes it is often short staffed in these areas due to staffing and budget pressure from the nursing side of hospital operations but addressing the nurse staffing side of this request will not alleviate the needs in these different areas by allowing staff to return to their original roles. Most of these requests appear to be tangentially related to the issue of the staffing shortage at the State Hospital and should be considered in light of available resources.

Other Steps to Address Staffing Shortfalls

In addition to the requests made in this letter, OHA has taken other steps to address the staffing crisis at the state hospital. This includes using members of the National Guard to supplement nursing staff, having clinical staff and management cover nursing shifts, and implementing temporary bonus pay to nursing staff to aid staff recruitment and retention. OHA anticipates covering the cost of National Guard staff using reimbursement from the Federal Emergency Management Agency (FEMA), which provides 100% reimbursement for expenses related to the COVID-19 pandemic, but there is a significant lag between when expenses are incurred, and decisions are made about claim approval or denial. As a result, it is unclear whether there will be any General Fund expense related to this item in the 2021-23 budget.

In order to ensure employees continue to come to work, OHA signed a letter of agreement providing incentive pay of an additional 30% of salary during weekdays and 75% of salary on weekends for represented employees in direct care positions between October 1, 2021 and February 1, 2022. OHA is currently planning on paying for this estimated \$9 million expense using vacancy savings it believes it will accrue during the biennium, however it is unclear at this time whether the savings will be sufficient or whether the staffing shortfalls will have abated sufficiently to allow the letter of agreement to lapse as currently planned.

Financial and Programmatic Sustainability

The plan proposed by the Oregon Health Authority does not appear to be financially sustainable, as funding it in its entirety, would significantly exceed the \$20 million set aside for this purpose in the Special Purpose Appropriation. The plan also does not take into account the potential cost of funding the National Guard staff at its facility or the incentive pay agreed to in the letters of agreement, either of which maybe be brought forward as a cost in a future rebalance. The cost of the plan will increase from \$33.5 million in 2021-23 to \$63.2 million in 2023-25. Potential savings include adjusting the start date of March 1, 2022 for most of the positions requested to account for OSH's current difficulties in hiring positions and the fact that the 2022 Legislative Session may not have concluded or reached budget decisions by that time, deferring the non-nursing components of the plan until a later date, and adjusting the posting factor calculation to omit unpaid leave from the calculation, among other changes to consider.

Programmatically, it is unclear whether the proposed plan is sustainable, either alone or together with other measures OHA has taken to stabilize the staffing situation as OSH. OHA has noted that even with the temporary bonus pay nursing salaries remain under market; at the end of November 2021, there were 115 nursing vacancies at the Salem campus, more than 12% of the budgeted nursing positions there. Positions in the Mental Health Therapy Technician series remain among the lowest paid in the state, meaning rising wages in other industries may make it even harder to hire into these positions. For its part, OHA maintains that funding this plan will increase employee retention and morale and reduce workplace injuries, leading ultimately to improved patient care and better patient health.



Office of the Director

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December 6, 2021

Senator Elizabeth Steiner Hayward, Co-Chair
Representative Dan Rayfield, Co-Chair
Interim Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairpersons:

Nature of the Request

The Oregon Health Authority (OHA) requests the Legislature establish 439 positions for the Oregon State Hospital (OSH) to achieve the level of staffing necessary for patient and staff safety and an appropriate treatment environment. OHA also requests \$33,506,064 million General Fund to fund 359 of the requested positions as well as the training and time and attendance system improvements needed to support the new positions.

Agency Action

Oregon State Hospital (OSH) has been challenged over the years to provide appropriate staffing levels to achieve a high level of quality care while achieving patient and staff safety. This is primarily due to enhanced patient needs from a dramatic shift of the population OSH serves, and a lack of budgeted position authority necessary to ensure adequate clinical and operational staffing levels because of the high levels of non-delivered staff for both scheduled and unscheduled leave. This instability negatively affects the consistency of service delivery, cohesion across care providers and sense of responsibility to team and to the overall hospital. This request follows a report to the Legislature in the fall of 2021 in response to a budget note, which required OSH develop a programmatically sustainable staffing plan. The following paragraphs reiterate the contents of that report.

OSH worked with its union partners, AFSCME and SEIU, to find a sustainable staffing plan for OSH's future stability and the shift in population over the last two years and predicted into the future. Further, OSH has worked with managers in clinical services and in operations to determine the critical needs in those departments, resulting in a need for additional resources above and beyond those

“direct care” positions that were discussed with the unions.

The COVID-19 pandemic has significantly affected OSH, like many of its healthcare counterparts, over the last two years. The current shortage of healthcare workers is of significant concern. As a state-operated psychiatric facility, OSH is not as nimble as organizations it competes with for workers. Also, as a hospital, the complexities of staffing a 24/7 facility are very different than staffing a more typical state-office environment. When employees are absent within an institutional environment consisting of three shifts per day, the resources necessary to backfill the extended time is effectively tripled from that of an office environment. Furthermore, coordinating overlapping shifts necessary in a hospital environment adds complexity to staffing and resource management.

There are also external factors that directly affect the OSH patient population and the hospital’s ability to meet individual treatment needs, specifically:

- The requirement to admit patients who are unable to aid and assist in their own defense within seven days following an order signed by a judge
- The availability of community housing for patients to be released
- The patient population within the acute care system that is unable to be admitted due to capacity limitations
- The larger conversation around the criminalization (or de-criminalization) of behavioral health

When these factors are combined, OSH has needed to respond to requirements to admit patients without the full complement of staffing necessary to fully support those patients in their recovery journey.

To create a sustainable staffing plan that addresses these pressures, OSH took two approaches. First, OSH initiated a Staffing Solutions workgroup, sponsored by the OSH Superintendent, that consisted of three AFSCME representatives, three SEIU representatives, and four management representatives. This group met over the months of July, August, and September to identify the root causes of direct care (nursing and security) staffing difficulties and build a proposal that addressed those causes. The second approach was to consult with OSH managers from clinical disciplines and operations to build a sustainable plan that addresses the service needs of a changing OSH population and staffing shortfalls that just do not cover the workload. The results of these efforts are outlined below.

Direct Care Services

The Staffing Solutions workgroup produced five recommendations of need:

	2021-23	2023-25	Positions
Posting Factor	\$24,874,642	\$49,196,873	283
Training Coordination and Support	\$545,711	\$638,379	1
Scheduling System Enhancements & Support	\$224,397	\$253,407	1
Police/Fire Retirement Benefits	TBD	TBD	-
36-hour Nurse Schedule	TBD	TBD	-
Nursing Total	\$25,644,751	\$50,088,659	285

Posting factor – Nursing staffing is periodically reviewed and determined by a Nurse Staffing Committee (ORS 441.154-.177). OSH has two Nurse Staffing Committees, one at each campus, as required by law. Setting staffing numbers was outside the scope of the Staffing Solutions workgroup but minimum staffing requirements were referenced and compared to current staffing levels. This demonstrated a lack of posting (or relief) factor at OSH. Because this is a key component of a 24/7 facility, the group recommended the addition of a posting factor. To determine the posting factor, the hospital took the staffing and financial data for calendar year 2019 to use as a baseline. This period is prior to the current COVID-19 pandemic and was considered the most accurate depiction of non-pandemic staffing to develop a sustainable plan. OSH also examined a similar policy package that had been presented by the Department of Corrections (DOC) both for a comparison to this request and to maintain a level of uniformity between state agency methodology.

In both the DOC submission and the method outlined below the amount of leave time was compared to the amount of total available hours within a given full-time equivalent (FTE) position by classification. This leave time, when reduced from the total hours available to work, resulted in the net time an FTE position could be expected to perform the core duties of that position. That unworked time becomes the basis by which both DOC and now OSH have requested a posting factor. In the case of DOC, the request was based upon budgeted positions. In the case of OSH, it is based upon the approved Nurse Staffing Committee staffing plan, by facility. Because the approved staffing plan includes FTE positions beyond the hospital’s current budget, the identified FTE position need is greater.

The following table provides the results of the analysis for the Salem campus:

Salem Campus	LPN	MHRN	MHT Series	Total
Staffing Plan FTE Need	96	195	631	922
Budgeted Positions	99	194	476	769
Unbudgeted Positions	-	-	120	120
Total Positions in Use	99	194	596	889
Position Adjustments to Meet Staffing Plan	(3)	1	35	33
Average Worked Hours per FTE	1,569	1,624	1,597	1,601
Average Unworked Hours per FTE	511	456	483	479
Posting Factor by Unworked Hours per FTE	24	43	147	214
Total New Budgeted Position Request	21	44	182	247
Unbudgeted Position Authority Request	-	-	120	120
Total New Position Request	21	44	302	367

LPN - Licensed Practical Nurse, MHRN Mental Health Registered Nurse, MHT Series - Mental Health Therapy Series

The above comparison reviews the staffing plan for the Salem campus against the budgeted and unbudgeted positions to identify the total positions in use and position adjustments to meet the staffing plan. The table then shows the average worked and unworked hours per classification, which were calculated using pre-pandemic 2019 annual totals. The Posting Factor by Unworked Hours per FTE is calculated by multiplying the Staffing Plan FTE Need by the Average Unworked Hours per FTE and then dividing by 2,080 hours (or the average hours an FTE can work in a calendar year on regular time; 40 hours per week times, 52 weeks per year).

Note that a posting factor is not applied to the new posting factor positions. This methodology does not take in to account the average unworked time of those posting factor FTE, but the hospital should be able to compensate through the utilization of voluntary overtime, as it does now. The total Salem position need identified by this calculation would first be the unbudgeted positions (120 FTE positions), which require position authority but not additional expenditure authority since they are already utilized at the hospital; then any differences between the staffing plan need and the total of the budgeted and unbudgeted positions (33 FTE positions); and then the posting factor positions (214 FTE positions), which is the number of positions necessary to backfill leave time according to the staffing plan.

The following table provides the same analysis for the Junction City campus:

Junction City Campus	LPN	MHRN	MHT Series	Total
Staffing Plan FTE Need	33	32	62	127
Budgeted Positions	30	32	48	110
Unbudgeted Positions	-	-	14	14
Total Positions in Use	30	32	62	124
Position Adjustments to Meet Staffing Plan	3	-	-	3
Average Worked Hours per FTE	1,648	1,655	1,630	1,641
Average Unworked Hours per FTE	432	425	450	439
Posting Factor by Unworked Hours per FTE	7	7	14	28
Total New Budgeted Position Request	10	7	14	31
Unbudgeted Position Authority Request	-	-	14	14
Total New Position Request	10	7	28	45

LPN - Licensed Practical Nurse, MHRN Mental Health Registered Nurse, MHT Series - Mental Health Therapy Series

As with the Salem campus, the Junction City need would first be for position authority for the unbudgeted positions, then any differences between the staffing plan and the budgeted and unbudgeted position totals, and then the position and expenditure authority for the posting factor necessary to backfill leave time according to the staffing plan. In Junction City, the additional position need is represented by three Licensed Practical Nurses.

With the expansion in staff, there would also be a need for supervision. This is estimated to consist of five Nurse Managers, four at the Salem campus and one at the Junction City campus to accommodate the posting factor positions and the associated organizational and administrative need.

The current total of both the Salem and Junction City campuses could be summarized as:

OSH System	New Budgeted Positions	Unbudgeted Position Conversion	Total New Position Authority	Estimated 2021-23 Biennium Cost, Phased In
LPN - Licensed Practical Nurse	31	-	31	\$ 2,596,558
MHRN - Mental Health Registered Nurse	51	-	51	\$ 6,715,866
MHTT - Mental Health Therapy Technician	133	134	267	\$ 9,703,756
MHT2 - Mental Health Therapist 2	63	-	63	\$ 5,166,387
Nursing Staffing Plan Position Request	278	134	412	\$ 24,182,567
Program Nurse Managers	5	-	5	\$ 692,075
Nursing Total	283	134	417	\$ 24,874,642

It is important to note that staffing for precautions, or enhanced supervision requirements for patients who need 1:1 care for behavioral, medical, or other need

is not included within this analysis. Traditionally, those assignments and corresponding work hours have been covered through overtime shifts worked by existing staff.

The workgroup also looked at security services as a patient facing, direct care department also in need of a posting factor similar to nursing to accommodate absences and the increased need for safe treatment environments for both patients and staff. The Salem Safety and Security Department first needs an additional four FTE positions to have adequate staffing resources within the current patient environment. By using the same calculation methods as used for nursing above, the posting factor need is 16 FTE positions for OSH's Safety and Security Department at both campuses, for a total of 20 MHST positions (17 in Salem and 3 in Junction City). This would be an investment of \$1,628,037 based on ten positions starting March 2022 and the remainder starting in October 2022.

In total, converting unbudgeted positions to budgeted and adding a posting factor better aligns OSH's budget with the treatment needs of patients and acuity management throughout the hospital. It also supports a program-based staffing model which builds consistency of teams, service delivery, safety, and staff accountability at OSH. Other areas such as safety and security, support operations (food and nutrition and environmental services), and facilities operate with shortfalls remedied by a posting factor.

Training coordination and support – The workgroup found a need within training and onboarding of direct care personnel. The recommendation is to include an additional Registered Nurse (RN) to assist with clinical training needs and support. The 16-month cost of this FTE position would be \$195,711. OSH would also recommend adding \$350,000 to its outside training budget (\$300 per nursing position) to facilitate opportunities to bring trainers into the hospital and send nursing staff to outside training events.

Scheduling system enhancements and support – The current scheduling system is primarily a manual process with the current time management and scheduling system, API, lacking that functionality. The workgroup identified this as a barrier in effective staff scheduling and recommended the purchase of additional modules within API to utilize historical staffing patterns and trends as a predictive tool, as well as explore additional customization with the vendor. With either the current utilization or an expanded software solution, an additional Data Specialist to support nurse staffing is also recommended. The 16-month cost of the FTE

position would be \$124,397. The vendor costs for the module would be a first-year pricing of \$88,000 with additional vendor analysis at an expense of \$12,000 for a total of \$100,000 in 2021-23. The recurring biennial costs for the module would be \$72,000.

Police/Fire Retirement benefits – The Staffing Solutions workgroup recommends a change in PERS benefits for all OSH employees. The workgroup determined that because OSH is a secure institution, serving a large and growing forensic population, its employees should be eligible for a retirement structure equivalent to Police and Fire. OSH would need support from other agencies to price this recommendation.

36-hour Nurse Schedules – The Staffing Solutions workgroup recognizes a need to make changes to recruit and retain nurses at OSH. The recommendation that came from the group was to create a benefit package that allows for a 36-hour work week as equivalent to full time. The 40-hour work week is no longer utilized within hospital settings for Registered Nurses. This has been replaced by three 12-hour shifts being considered full time employment. Modifying pertinent scheduling and hour minimums within statutes would allow OSH to be comparable and competitive in hiring with other hospitals. By using a 36-hour schedule for Registered and Licensed Practical Nurses, OSH could slightly reduce the number of nurses needed to fulfill the staffing plan as staffing a 24-hour period would require two Registered Nurses and not three as it does today. This is the equivalent of one less nurse per Unit on the Salem campus. The final savings would be dependent upon bargained language and implementation and require more analysis as those discussions developed.

Clinical Service Enhancement

As the needs of the patients have increased, so have the needs for more peripheral support. The Psychiatry Department requires an additional ten Medical Assistants (nine in Salem and one in Junction City) and a manager for those positions, to allow more efficient patient notes and data entry. Currently, the hospital has a limited number of those positions, resulting in the psychiatry practitioners spending time on administrative functions rather than patient contact, preparation for hearings, and coordination of care of individual patients with other clinical personnel. Similarly, Forensic Evaluation Services needs one additional position to assist in supporting the work of the psychiatrists and psychologists in that program.

The cost for these 12 positions would be \$1,060,563 for 16 months in the 2021-23 biennium.

Similarly, the Social Work Department is currently lacking personnel to accomplish the treatment and documentation required of the current patient environment and population shift that admits more patients for competency restoration under aid and assist orders. The additional workload includes:

- Consultations with the community and counties to which a patient may be discharged, hearings, and associated paperwork, after determination that a patient no longer needs hospital level of care and is a suitable candidate for community placement (otherwise known as “9B” hearings)
- Assessments and referrals to other state agencies (such as ODHS)
- Scheduling of outpatient services for patient discharge
- Responding to information requests within 3 business days
- The warm handoff of patients to other entities

To perform this work, the hospital needs an additional 17 positions (5 Resource Assistants and 12 Social Workers) at a cost of \$1,929,802 for 16 months in the 2021-23 biennium. Most of the positions would be present at the Salem campus with one Social Worker stationed at Junction City.

The Medical Clinic on the Salem campus requires one Occupational Therapist position that would function as a Speech-Language Pathologist. OSH continually needs these services for patients and does not have the specialty on staff. This position would help patients not only with how words are said and understood, but with literacy, social communication, and a variety of possible issues with the voice, fluency of speech, feeding and swallowing, and cognitive communication. This position would be at a 16-month cost of \$168,000.

Operations Enhancement

Operationally, the posting factor should also be applied to several Physical Plant and core hospital functions. This would include Food Service workers and Custodians, as well as positions related to general facility operations beginning with four Facility Operations Specialists, one for each aging campus and two to perform maintenance on medical equipment to ensure it is in proper order and schedules are consistent with The Joint Commission requirements. The other position needs include two mail equipment operators, which would provide the hospital with sufficient coverage to ensure that mail to patients and supply orders

from the warehouse are delivered in a timely and consistent fashion. It would also include an electronic security technician, as the hospital is currently understaffed with just one technician responsible for repair, monitoring, and maintenance of critical systems such as 1,200 security cameras, systems, and servers; CCTV systems; and the Nurse Call and Fire/Life Safety systems. This position would provide cross-coverage and reduce the significant risk of not having staff available during night and/or weekend hours. These 10 total positions would cost \$1,101,993 phased-in between March and October 2022.

Other Position Needs

The posting factor will drive the need for positions to accommodate and support the magnitude of new positions. OSH would not be able to absorb the workload associated with this number of staff without additional administrative support. This includes timekeepers; technology and reporting staff; training specialists for both classroom and physical safety teachings; budget and finance and human resources personnel¹ (such as a recruiter and two labor relations analysts); as well as a Compliance Specialist to assist with training and facilitation of the increased staff regulatory need. These positions would cost \$1,972,918 over a 16-month period.

Other Recommendations

Wages for the Mental Health Therapist classification series is among the lowest in the state and starts at \$16.45 per hour. As market salaries for caregivers continue to increase, OSH requests that a timely salary study be done to ensure competitive wages for this group of employees.

Summary

This staffing analysis is multi-faceted and extends beyond the Nursing Department to achieve the correct and sustainable staffing level at OSH. All the areas addressed in this report require additional position authority to ultimately ensure clinical needs are met and operational efficiencies are optimized. These needs are outlined in effort to present a package of recommendations that will assist OSH in obtaining a sustainable staffing plan.

¹ The three human resources positions would be transferred from the OSH budget to the OHA Central Services budget (\$466,266).

The total need consists of funding and position authority for 359 new positions, summarized in the table below.

	Hiring March 1, 2022		Hiring October 1, 2022		Hiring April 1, 2023		Total	
	16 Months		9 Months		3 Months			
	FTE	Expense	FTE	Expense	FTE	Expense	FTE	Expense
Nursing	156	\$18,314,295	82	\$5,503,015	45	\$1,057,332	283	\$24,874,642
Safety and Security	10	\$1,057,848	10	\$570,189			20	\$1,628,037
Clinical	17	\$2,213,129	13	\$945,236			30	\$3,158,365
Operations	10	\$1,101,993					10	\$1,101,993
Other	16	\$2,293,027					16	\$2,293,027
Grand Total	209	\$24,980,292	105	\$7,018,440	45	\$1,057,332	359	\$33,056,064

In addition to these 359 positions, OSH would need position authority for 134 FTE unbudgeted positions. No additional funding is needed for these positions as OSH pays for them out of its current budget.

This total package would be phased in at various points within the biennium and represents a total of 493 FTE positions at \$33.1 million in 2021-23 with an additional \$450,000 in non-personnel expenses for a total of \$33.5 million. This need comprises a level of staffing necessary for patient and staff safety and an appropriate treatment environment. If approved, this plan will allow OSH to address shifting population needs and have an adequate staffing level to support our mission of providing high-quality, patient-centered treatment delivered in a safe environment for patients and staff.

OSH System	Current Budgeted Position Need	Conversion of Unbudgeted Positions ¹	Position Totals	Estimated 2021-23 Biennium Cost, Phased In	Estimated 2023-25 Full Biennium Cost
LPN - Licensed Practical Nurse	31	-	31	\$ 2,596,558	\$ 5,197,251
MHRN - Mental Health Registered Nurse	51	-	51	\$ 6,715,866	\$ 14,042,506
MHTT - Mental Health Therapy Technician	133	134	267	\$ 9,703,756	\$ 18,518,734
MHT2 - Mental Health Therapist 2	63	-	63	\$ 5,166,387	\$ 9,897,361
Nursing Staffing Plan Position Request	278	134	412	\$ 24,182,567	\$ 47,655,853
Program Nurse Managers	5	-	5	\$ 692,075	\$ 1,541,020
Nursing Total	283	134	417	\$ 24,874,642	\$ -
Safety and Security	20	-	20	\$ 1,628,037	\$ 3,013,357
Clinical	30	-	30	\$ 3,158,365	\$ 5,726,562
Operations	10	-	10	\$ 1,101,993	\$ 1,540,198
Other	16	-	16	\$ 2,293,027	\$ 3,356,515
Other Totals	76	-	76	\$ 8,181,422	\$ 13,636,632
Position Totals	359	134	493	\$ 33,056,064	\$ 62,833,505
Training; Time and Attendance System Improvements				\$ 450,000	\$ 422,000
OSH System Totals	359	134	493	\$ 33,506,064	\$ 63,255,505

¹ Unbudgeted position funding will use resources previously allocated to the hospital. No additional funding is requested.

Senator Elizabeth Steiner Hayward, Co-Chair

Representative Dan Rayfield, Co-Chair

December 6, 2021

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Action Requested

Acknowledge receipt of this report.

Legislation Affected

Oregon Laws 2021, Chapter 668 1(2), increase General Fund \$33,506,064

Sincerely,



Patrick M. Allen

Director

EC: Patrick Heath, Department of Administrative Services
George Naughton, Department of Administrative Services
Tom MacDonald, Legislative Fiscal Office
Laurie Byerly, Legislative Fiscal Office