

ANALYSIS

Item 12: Oregon Health Authority OSH Complex Patient Care

Analyst: Steve Robbins

Request: Allocate \$1.5 million General Fund from the special purpose appropriation made to the Emergency Board for the Oregon State Hospital to provide treatment and care for an extremely complex patient and authorize the establishment of 21 permanent full-time positions (5.25 FTE).

Analysis: As an essential component of the Oregon Health Authority's (OHA) statewide behavioral health system, the Oregon State Hospital (OSH) provides the highest level of psychiatric care for adults from all 36 counties. OSH operates two campuses with a total of 743 licensed beds, with 592 beds in Salem and 151 beds in Junction City in a 24 hours per day, seven days a week environment. The hospital is accredited by the Joint Commission on the Accreditation of Health Organizations and all 24 hospital-licensed units (21 in Salem and three in Junction City) are certified by the Centers for Medicare and Medicaid Services (CMS).

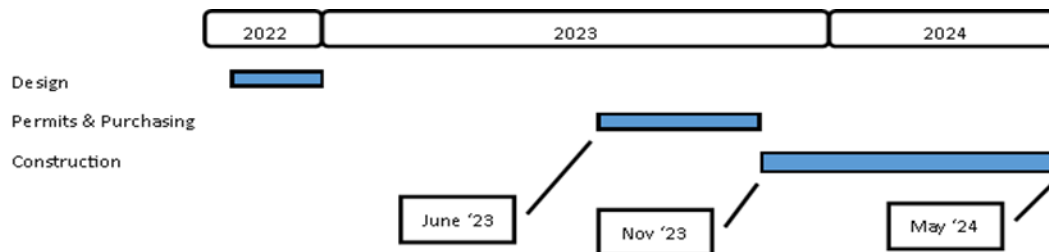
This request is to establish continuing intensive psychiatric services for a patient with severe and complex needs who was civilly committed because of the lack of alternative options in the community suitable to provide the level of care and safety required. During commitment at OSH, the patient has continued to demonstrate severe behavioral dysregulation including delusional ideation, internal stimuli, and assaultive behavior to self and OSH staff requiring extraordinary resources, such as frequent locked seclusion and medications to maintain patient and staff safety while providing enhanced therapeutic services.

Care for this patient has thus far been provided in administrative space at the Junction City campus, isolated from others and separate from the established clinical unit structure. This temporary space was converted to a single bed unit under a waiver made possible by the federal public health emergency (PHE) as a consequence of the COVID-19 pandemic. The waiver allows for temporary licensure of additional hospital space and hospitals to add on-campus locations to their current hospital license without the need to apply for Public Health Division, Facilities Planning and Safety Unit (PFS) approval. The only requirement is notification that the temporary location has been added. These temporary license locations and administrative rule waivers are granted for six months but can be extended while the PHE remains in place. As it stands today, the repurposed administrative space could not be licensed in the absence of the PHE waiver. The pending end to the PHE is the basis for OHA's request.

In terms of possible length of stay or release of the patient in question, civil commitments, when admitted as extremely dangerous, are under the jurisdiction of the Psychiatric Security Review Board (PSRB). As such, any determination of conditional release would be dependent on a reconsideration of diagnosis that the person no longer has a qualified mental disorder and is no longer deemed dangerous to themselves or others. If that were the case, OSH would review the patient's case and could request an evaluation order from the PSRB and follow the PSRB's standard conditional release process, if approved.

The environmental modifications proposed for the Junction City facility were selected from three floorplans to determine the best overall utilization - both for today and future patients that exhibit similar levels of aggression to themselves, others, and the environment in which they are placed. Modifications requiring construction include the movement and reinforcement of walls, special fixtures, and associated infrastructure. The remodeled space will conform to licensure and CMS certification requirements at a hospital level of care.

The project and construction are currently projected to be completed by May 2024.



This request includes one-time architectural, engineering, accommodation and construction costs, and the ongoing staffing to support the intensive care required for these difficult patients. For the remainder of the 2021-23 biennium, the non-staffing request is for one-time support of \$160,000 General Fund for architectural and engineering fees along with minor modifications to an existing space to temporarily house the patient during the larger construction.

To provide the specialized 24/7 care, OSH requests 21 positions (5.25 FTE), consisting of five Mental Health Registered Nurses and 16 Mental Health Therapy Technicians at a cost of \$1.3 million General Fund for the remainder of 2021-23.

The 2023-25 impact of combining this request and the policy option package totals \$9.9 million:

- The staffing costs associated with the 21 positions related to this request for the single patient grow to \$4 million on a full biennial basis.
- An associated policy option package adds an additional 27 positions for \$4.4 million in personal services costs and \$1.5 million in bond requests and electronic health record licenses to initiate an entire unit that can accommodate more patients with these characteristics.

Even with the additional extension of the PHE, the impact of being out of compliance with licensure requirements could have an impact on a variety of issues, including CMS compliance. It will take time to hire staff and make modifications - both of which need to take place immediately to avoid a lapse in compliance after the pending end of the PHE. LFO's recommendation is to approve the current request and consider the policy option package in 2023-25 which asks for bonded construction at the Junction City campus and additional staff to address the level of patient acuity at the Salem campus during the 2023 session.

Recommendation: The Legislative Fiscal Office recommends that the Emergency Board allocate \$1,498,030 in one-time General Fund from the special purpose appropriation made to the Emergency Board for Oregon Health Authority or Department of Human Services caseload costs or other budget challenges and authorize 21 positions (5.25 FTE) to accommodate complex patient care needs at the Oregon State Hospital.

Request: Allocate \$1.5 million General Fund from a Special Purpose Appropriation established for caseload costs and other budget challenges and establish 21 positions (5.25 FTE) to provide treatment and care for a patient with complex behavioral health needs and to plan for the construction of a physical space for the patient's continued treatment.

Recommendation: Approve the request with the following modification which utilizes General Fund savings from the Fall 2022 Rebalance plan: transfer of \$1,498,030 General Fund from the appropriation made to the Health System, Health Policy and Analytics and Public Health Division to the Oregon State Hospital.

Discussion: The Oregon Health Authority (OHA) is requesting \$1.5 million General Fund to continue to provide treatment to a very complex patient currently being treated on the Junction City campus and to plan for a new space in which to treat the patient. The patient is a danger to themselves and others and cannot be housed with the general patient population. The patient was civilly committed to OSH after being released from the Oregon Department of Corrections. OSH was using an unopened unit at Junction City for this patient's treatment but with the opening of that unit in 2021-23 using funds invested by the 2021 Legislature, the patient was transferred this time to administrative space built out to accommodate them. The administrative space is not licensed as a hospital bed but is allowed to house the patient under a waiver of rules under the federal Public Health Emergency (PHE).

Given that the PHE may soon expire, OHA is seeking funds to plan for a permanent modification to house this patient using a separate space. This includes \$150,000 for architectural and engineering work and \$10,000 to modify the temporary space. OHA plans to request \$5.0 million in Article XI-Q bonds in 2023-25, to pay for the cost of the improvements to house the patient. OHA estimates, if funded, the design and development can be completed by February of 2023, with permitting and construction to be completed by late Spring 2024. Should the PHE end before the construction is complete OSH will need to seek an additional waiver to continue to use the existing space. As of the date of this analysis the PHE is now anticipated to end in April 2023 based on guidance from the federal government.

OHA is also requesting \$1,338,030 General Fund and 21 positions (5.25 FTE) for the staff who are needed to provide daily care for this patient. This request would allow for three staff per shift to cover every shift to ensure safety for the patient and staff. Treatment staff working to support this patient in their recovery will be provided by existing positions at Junction City. This request has been made in previous rebalance requests but no funding was provided as OSH was able to fund the staff within existing resources.

The rollup costs of this request in 2023-25 are estimated at \$4.2 million General Fund and 21 positions (21.00 FTE). A portion of this funding was requested in Package 413 – Complex Patient Care as part of OHA's 2023-25 Agency Request Budget. Should this request be funded by the Emergency Board, it would reduce the amount requested in the package by a like amount.

Legal Reference: Transfer of \$1,498,030 General Fund appropriation made by Chapter 668, Section 1, Oregon Laws 2021, for the 2021-23 biennium as follows:

<u>Subsection</u>	<u>Amount</u>
(1) Health Systems, Healthy Policy and Analytics, and Public Health	\$-1,498,030
(2) Oregon State Hospital	\$+1,498,030



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October 24, 2022

Senator Peter Courtney, Co-Chair
Representative Dan Rayfield, Co-Chair
Joint Emergency Board
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 21 positions within the Oregon State Hospital (OSH) to provide the treatment and care for an extremely complex patient. OHA also requests the Legislature appropriate \$1,498,030 General Fund for the requested positions, preliminary architectural and engineering work, and for temporary habitation.

OHA is requesting the \$1,498,030 million from the special purpose appropriation the Legislature approved in House Bill 5006 (2021 regular session; \$55 million) and increased in House Bill 5202 (2022 regular session; \$45 million) for OHA and ODHS caseload costs and other budget challenges that the agencies are unable to mitigate.

Agency Action

The purpose of this request is to establish continuing intensive psychiatric services for a patient with severe and complex needs who was civilly committed during the pandemic because of the lack of alternative options in the community suitable to provide the level of care and safety required. Care for this patient has thus far been provided in an administrative space, isolated from others and separate from established unit structure. This space was temporarily converted to a single bed unit, under a waiver made possible by the federal Public Health Emergency declaration.

During commitment at OSH, the patient has continued to demonstrate severe behavioral dysregulation including delusional ideation, internal stimuli, and assaultive behavior to self and OSH staff requiring extraordinary resources, such as frequent locked seclusion and medications to maintain patient and staff safety while providing enhanced therapeutic services. To successfully provide ongoing care and treatment for this patient, OSH needs the resources to build and staff a specialized

care environment with enhanced supports and safety controls that meets ongoing hospital level of care licensing requirements absent the waiver that will soon expire.

The environmental modification within this proposal was selected from three floorplans to determine the best overall utilization, now and for future patients that exhibit similar levels of aggression to themselves, others, and the environment in which they are placed. The remodeled space will conform to licensure and CMS certification requirements at a hospital level of care, once the waiver is abolished. Without the modifications the current space will not meet these requirements.

For total environmental costs excluding positions, OSH estimates a \$5.2 million General Fund need of which \$160 thousand General Fund would be needed for this biennium and approximately \$5 million General Fund would be needed for 2023-25. 2021-23 expenditures would consist of architectural and engineering fees along with minor modifications to an existing space to temporarily house the patient during the larger construction. Procurement rules and timing would result in construction occurring in the 2023-25 biennium.

To provide the specialized, 24/7 care, OSH needs a total of 21 positions in nursing consisting of five Mental Health Registered Nurses and 16 Mental Health Therapy Technicians. The cost of those 21 positions is \$1.34 million General Fund for this biennium and \$4.2 million General Fund for 2023-25.

Expenditure	Counts	2021-23 Total	2023-25 Total
Positions	21	\$ 1,338,030	\$ 4,201,619
Architectural and Engineering		\$ 150,000	
Temporary accomodation modifications		\$ 10,000	
Estimated Construction			\$ 5,000,000
Grand Total	21	\$ 1,498,030	\$ 9,201,619

Action Requested

OHA requests the Legislature establish 21 positions within OSH to provide the treatment and care for an extremely complex patient. OHA also requests the Legislature appropriate \$1,498,030 General Fund for the requested positions, preliminary architectural and engineering work, and for temporary habitation.

Senator Peter Courtney, Co-Chair
Representative Dan Rayfield, Co-Chair
October 24, 2022
Page 3 of 3

Legislation Affected

Oregon Laws 2021, Chapter 668 1(2), increase General Fund \$1,498,030.

Sincerely,

A handwritten signature in blue ink, appearing to read 'P. Allen', with a long horizontal stroke extending to the right.

Patrick M. Allen
Director

EC: Patrick Heath, Department of Administrative Services
George Naughton, Department of Administrative Services
Steve Robbins, Legislative Fiscal Office
Amanda Beitel, Legislative Fiscal Office