HB 4004 -3 STAFF MEASURE SUMMARY

House Committee On Behavioral Health

Prepared By: Oliver Droppers, LPRO Analyst
Sub-Referral To: Joint Committee On Ways and Means
Meeting Dates: 2/3, 2/10

WHAT THE MEASURE DOES:

Directs the Oregon Health Authority (OHA) to administer a grant program permitting behavioral health providers to use funds for services reimbursed with state or federal funds. Specifies parameters for providers' use of grant funds to include staff wage increases, retention bonuses, and hiring of new staff. Authorizes OHA rulemaking to implement program to include provider reporting requirements on use of funds. Directs OHA to contract with adult and child residential behavioral health facilities to employ nursing professionals to mitigate workforce shortages due to COVID-19 pandemic. Permits OHA to request federal funding if necessary. Authorizes the Oregon Youth Authority (OYA) to grant existing funds allocated to OYA to local municipalities, nonprofit organizations, and individuals to ensure the adequate support of treatment needs of committed youths. Repeals OHA workforce grant program on January 2, 2023. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- General fund allocation for financial incentives to recruit and retain behavioral health professionals
- Clarification grants funds are not intended to support provider overhead
- Impact of short-term work force investments and long-term financial outlays for future biennia
- Decrease in the state's residential bed capacity for adults and children
- Factors contributing to the decline in state's behavioral health work force
- Increase in Medicaid reimbursement rates for fee-for-service and coordinated care organizations
- Shifting behavioral health costs to local municipalities

EFFECT OF AMENDMENT:

-3 Specifies the types of providers eligible for grant funds and how grant funds may be used including using at least 75 percent of funding for wages, benefits, and bonuses. States eligibility for non-hospital entities seeking grant funds is based on providing at least 50 percent of services to adults or youth who are uninsured, enrolled in Medicaid or Medicare. Specifies any increase in provider compensation or bonus is not a violation of Oregon Pay Equity law. Expands the settings OHA may contract with to mitigate workforce shortages due to COVID-19 pandemic to include opioid treatment programs, withdrawal management programs, and sobering centers. Extends timeline for the Oregon Health Authority (OHA) to distribute grant funds by 30 days.

FISCAL: Fiscal impact statement yet issued.

REVENUE: No revenue impact.

BACKGROUND:

House Bill 2086 (2021) directed the Oregon Health Authority (OHA) to evaluate the state's behavioral workforce with a focus on Medicaid funding. OHA contracted with OHSU's Center for Health Systems Effectiveness. The final report (Feb. 2022) indicates the following policies and investments may improve Oregon's behavioral health system:

- increase practitioner wages and Medicaid reimbursement rates
- improve reimbursement parity between substance abuse disorder counselors and mental health counselors
- reduce administrative burden, claims delays, and denials

PRELIMINARY

- address gaps in training and career advancement opportunities for behavioral health practitioners including tuition reimbursement and loan repayment programs

House Bill 4004 seeks to increase Oregon's behavioral health workforce by directing OHA to administer a grant program to increase practitioner wages, offer retention bonuses, or recruit and hire new behavioral health staff.

PRELIMINARY