HB 4004 A STAFF MEASURE SUMMARY

House Committee On Behavioral Health

Action Date:	02/10/22
Action:	Do pass with amendments and be referred to Ways and Means by prior reference. (Printed A-Eng.)
Vote:	9-1-1-0
Yeas:	9 - Hoy, Lively, Moore-Green, Nelson, Nosse, Reynolds, Sosa, Witt, Wright
Nays:	1 - Goodwin
Exc:	1 - Morgan
Fiscal:	Fiscal impact issued
Revenue:	No revenue impact
Prepared By:	Oliver Droppers, LPRO Analyst
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 the 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 upon passage.

ISSUES DISCUSSED:

- General Fund allocation for financial incentives to recruit and retain behavioral health professionals
- Clarification grant funds are not intended to support provider overhead
- Impact of short-term workforce 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 workforce
- Increase in Medicaid reimbursement rates for fee-for-service and coordinated care organizations
- Shifting behavioral health costs to local municipalities

EFFECT OF AMENDMENT:

Modifies the types of providers eligible for grant funds and how grant funds may be used. Requires at least 75 percent of funding to be used 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 types of provider organizations OHA may contract with to mitigate COVID-19 pandemic workforce shortages 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.

BACKGROUND:

House Bill 2086 (2021) directed the Oregon Health Authority (OHA) to evaluate the state's behavioral workforce emphasizing 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
- address gaps in training and career advancement opportunities for behavioral health practitioners, including tuition reimbursement and loan repayment programs

House Bill 4004 A 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.