



Oregon

Kate Brown, Governor

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House Committee on Behavioral Health

Dear Chair Nosse, Vice Chairs Moore-Green and Reynolds, and members of the Committee:

I submit the attached information for your consideration and understanding regarding House Bill 4004, Section 3. This section proposes changes to grants for behavioral health treatment providers that serve youth committed to care of the Oregon Youth Authority.

I am happy to answer any further questions you have.

Sincerely,

Christine Kirk
Government Relations Manager
Oregon Youth Authority



Addressing community provider capacity

Allow Oregon Youth Authority (OYA) to make financial grants to community providers to ensure parity with Oregon Department of Human Services (ODHS)

Behavioral health providers are in crisis – staffing shortages, pandemic, and unpredictable needs. Many community programs are on the brink of closing their doors, and sixteen programs (119 spaces for youth) have disappeared since March 2019. Additionally, programs that may be willing to start services do not have what they need to get started and programs have at times lacked funding for necessary safety improvements and other required items to serve youth.

OYA is requesting a technical fix to ensure it is able to provide supportive payments to providers as a way to provide support that cannot current be done within the rate model. This would ensure parity with ODHS, which already has this authority. OYA and ODHS often utilize the same providers and the current disparity is causing challenges.

Context

Currently OYA can only pay community providers on a “fee-for-service” basis, which means at a certain rate for beds that are actually filled on any given day. Capacity is often unpredictable and makes managing a community program in the greater economic context very challenging. Other entities, such as ODHS, can already make grants to providers outside of the fee-for-service model to help them maintain operations.

Because many of Oregon’s residential providers are paid the same rate as between OYA and ODHS for youth clients, this inequity has become more pronounced as ODHS has made multiple stability grants to providers over the course of the pandemic. Some of these partners want to continue to work with OYA, but OYA is not authorized to even proportionately match the stability funding that ODHS is providing. This has caused confusion, distrust and more instability in an already fragile continuum of services.

Historically OYA, ODHS and OHA have worked together to maintain equity around rates for our providers, again, because so many of them are shared – and both agencies have gone to great lengths to work together to maintain that parity through extensive rate model work.



Addressing community provider capacity

Program closures and lack of stopgap funding disparately impact youth of color in the custody of OYA, especially at a time when OYA is working hard to develop and bring on board programs that specifically serve youth of color with culturally responsive, appropriately located programs.

Summary

There are three primary reasons to provide OYA with this granting authority:

1. Parity with ODHS, who already has this authority and has been utilizing it to support community providers during the pandemic;
2. Support our current community providers, many of whom are in crisis; and
3. Support our planned and much-needed expansion of new and more diverse community services for youth of color who have not been well served historically

Statute

ORS 409.110 authorizes ODHS to make direct "financial grants to local units of government, nonprofit organizations and individual from funds appropriated...to carry out the department's responsibilities." Based on ORS 409.110, OYA recommends the below language for consideration.

OYA has no similar grant authority language in its statutes. The agency's organic statute (ORS 420A.010), limits OYA to paying providers only on a fee-for-service basis. That means OYA can only pay providers for costs directly associated with specific youth placed with the provider.

Draft recommendation:

Authority of director; grants. (1) *The Director of the Oregon Youth Authority may make financial grants to local units of government, nonprofit organizations and individuals from funds appropriated by the Legislative Assembly to carry out the department's responsibilities. Oregon Youth Authority shall develop rules to provide funding criteria.*