
HB 4004 Fiscal and Policy Information

Presented to:

House Committee On Behavioral Health

February 3, 2022

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Overview

- System Capacity and Stability Challenges
- Part 1 of HB 4004
- Part 2 of HB 4004
- Behavioral Health Rate Options and Costing

Residential Program Losses Are Staggering

- Adult System

- SUD Residential

Bed Capacity lost 142*

*Capacity of 54 beds was added/restored

- MH Residential

Bed Capacity lost 32*

*Capacity of 95 beds was added/restored

- Adult Foster Homes

Bed Capacity lost 53

*Capacity of 53 beds was added/restored

- Children's System

- SUD Residential

Bed Capacity lost 65*

*One program was converted into a men's SUD residential adding 16 beds for adults

- MH Residential/Psychiatric

Bed Capacity lost 91

Totals: 383 residential bed capacity lost across both systems

Data as of 12/29/2021.

Behavioral Health Workforce Report

Behavioral Health Workforce Report

House Bill 2086, passed by the 2021 Oregon Legislature, required a study with recommendations for how to increase wages for behavioral health providers submitted to the legislature on 2/1/22. The report is available on the OHA website at this [link](#).

Recommendations relating to topics within the scope of House Bill 4004:

- Expand wage add-on programs
- Consider retention and recruitment bonuses
- Reform the Medicaid fee schedule for services that are under-reimbursed (Rates)
- Require or incentivize a fixed percentage of the global budget to be allocated to BH
- Identify and remedy existing disparities in reimbursable activities
- Adjust reimbursement for social complexity
- Encourage transparent pay scales and promotion practices
- Assess and remediate regional wage differences in Oregon

Part 1: Behavioral Health Provider Relief Program

Requires OHA to distribute grants to behavioral health treatment providers.

Providers may:

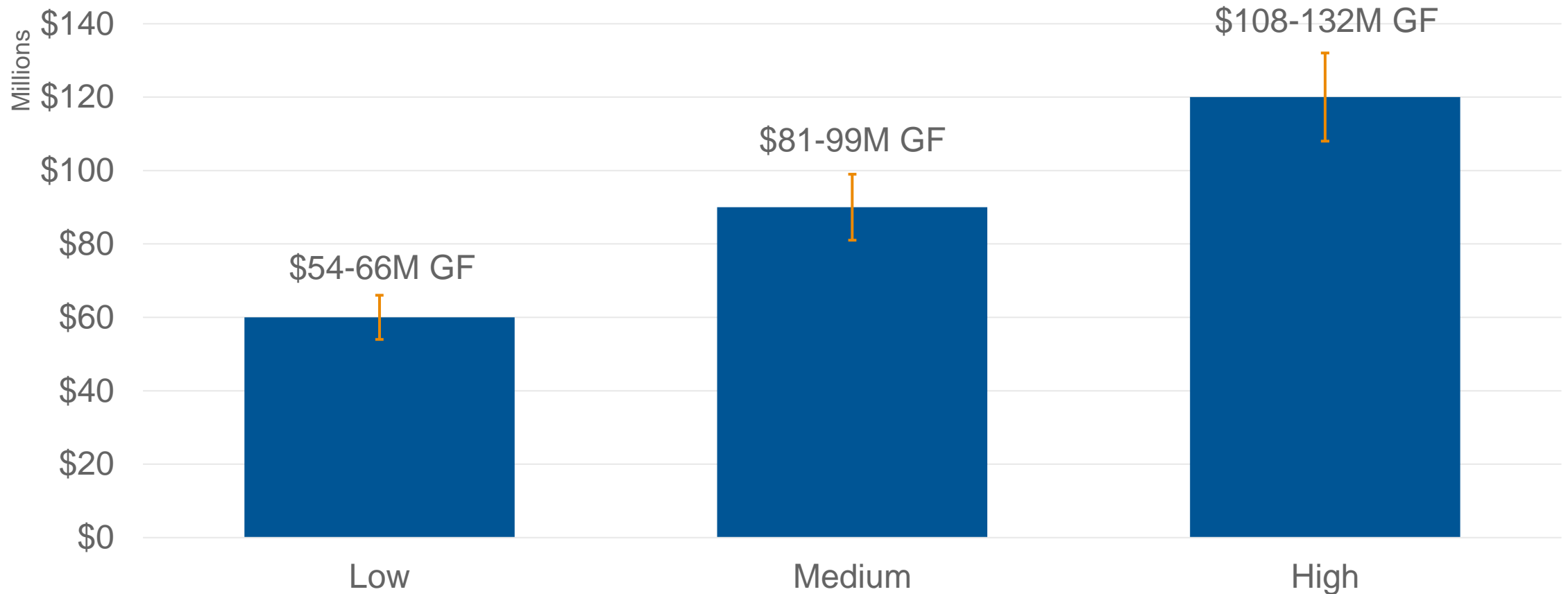
- Use the grant to increase wages
- Pay retention bonuses to staff to prevent a person from leaving
- Hire new staff

Providers must:

- Use 75% of the grant for wages, with the remainder spent on other workforce/recruitment efforts
- Report on how the grants were spent and whether the funding resulted in improved wages and compensation for staff

Any portion of a grant that is not spent by June 30, 2023, constitutes a loan payable at 1% interest.

Behavioral Health Provider Relief Program Costs



Draft estimates for discussion only; not intended to represent exact costs.

Part 2: Behavioral Health Residential Emergency Staffing

Requires OHA to:

- Contract with nurses and behavioral health specialists to provide care in residential behavioral health programs that are short-staffed due to the COVID-19 pandemic.
- If money is not available from FEMA seek approval from CMS to secure federal financial participation in the costs of contracts

Current landscape:

- Currently there are 77 emergency nursing staff in Behavioral Health Residential Homes which include adult and youth residential services.
- **The current cost of this staff is approximately \$700k per week.**

Behavioral Health Rate Considerations

OHA Rate Pricing Considerations

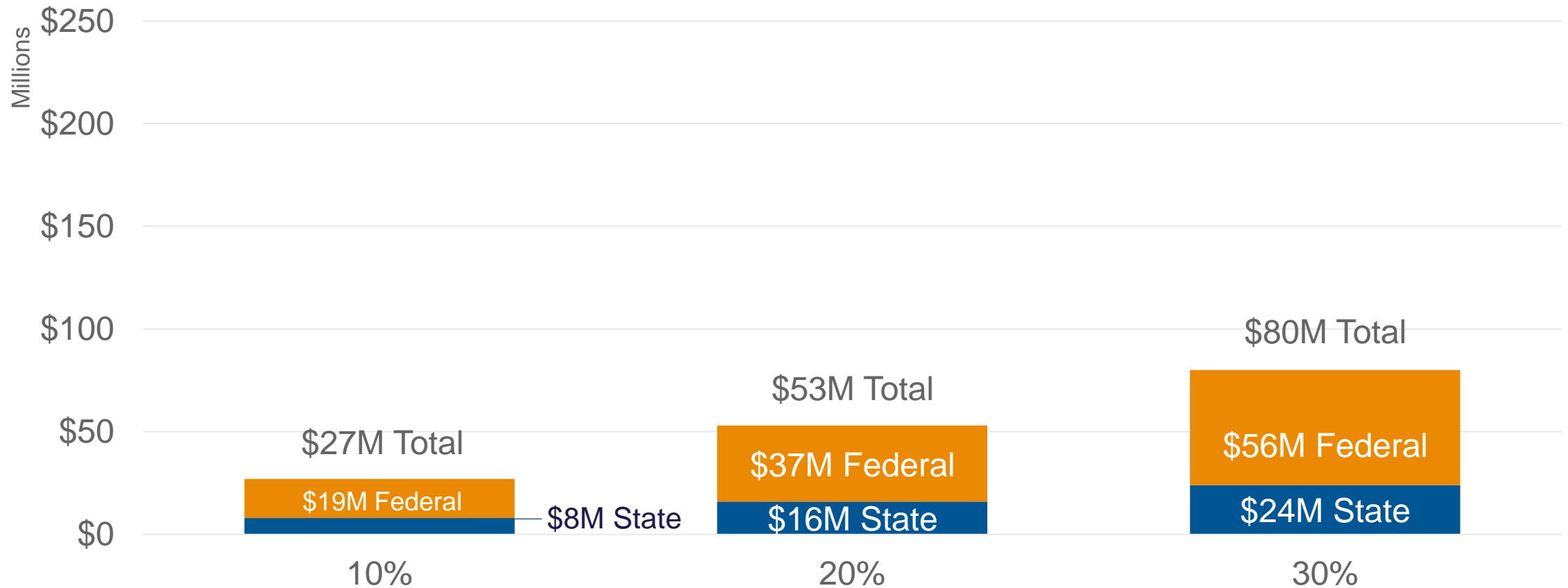
Rates paid under Behavioral Health Fee-For-Service (FFS) include but are not limited to:

- Applied Behavioral Analysis
- BH Outpatient Services
- BH Residential Services
- Peer Delivered Services
- Substance Use Disorder (SUD) Services
- Adult Residential Services
- Youth Residential Services

Increases in FFS rates influence CCO payment rates to providers. CCOs generally need to pay at least as much as FFS; therefore, this consideration is also modeled.

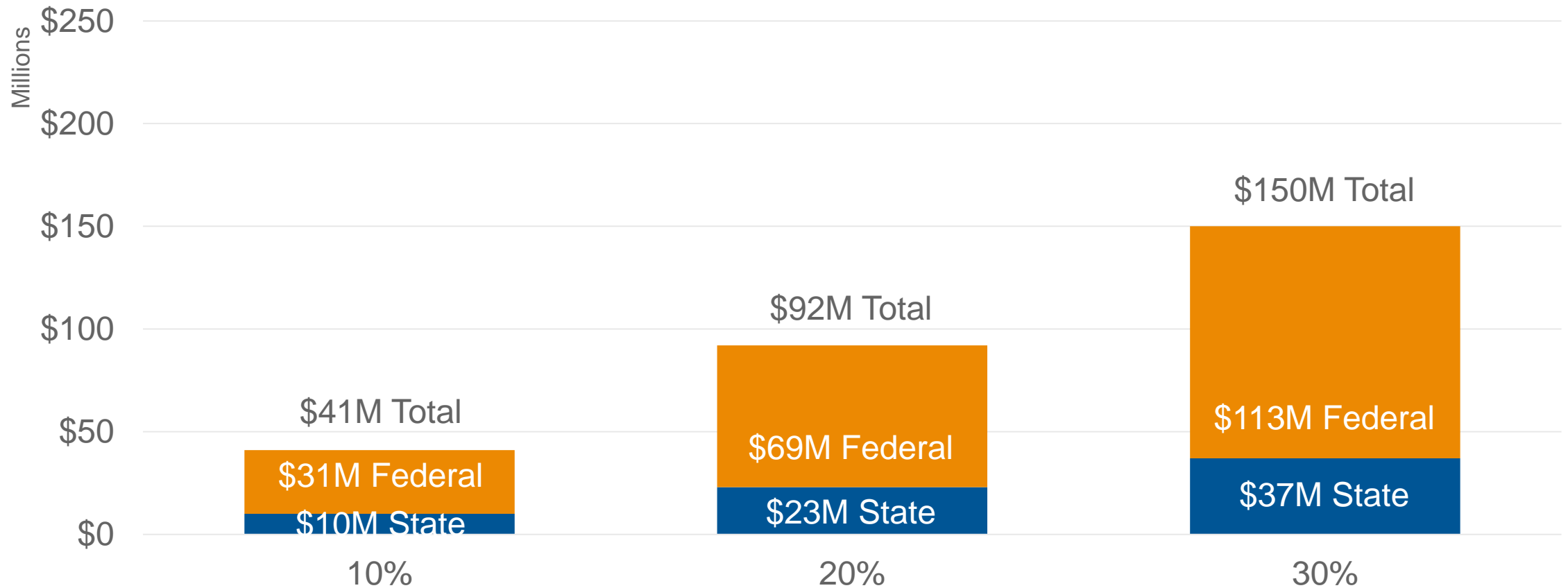
Changes to the fee schedule must be approved by CMS through a State Plan Amendment. Timing would be dependent on approval by CMS.

Financial Impacts of Raising Behavioral Health Provider Rates, Per Year: FFS



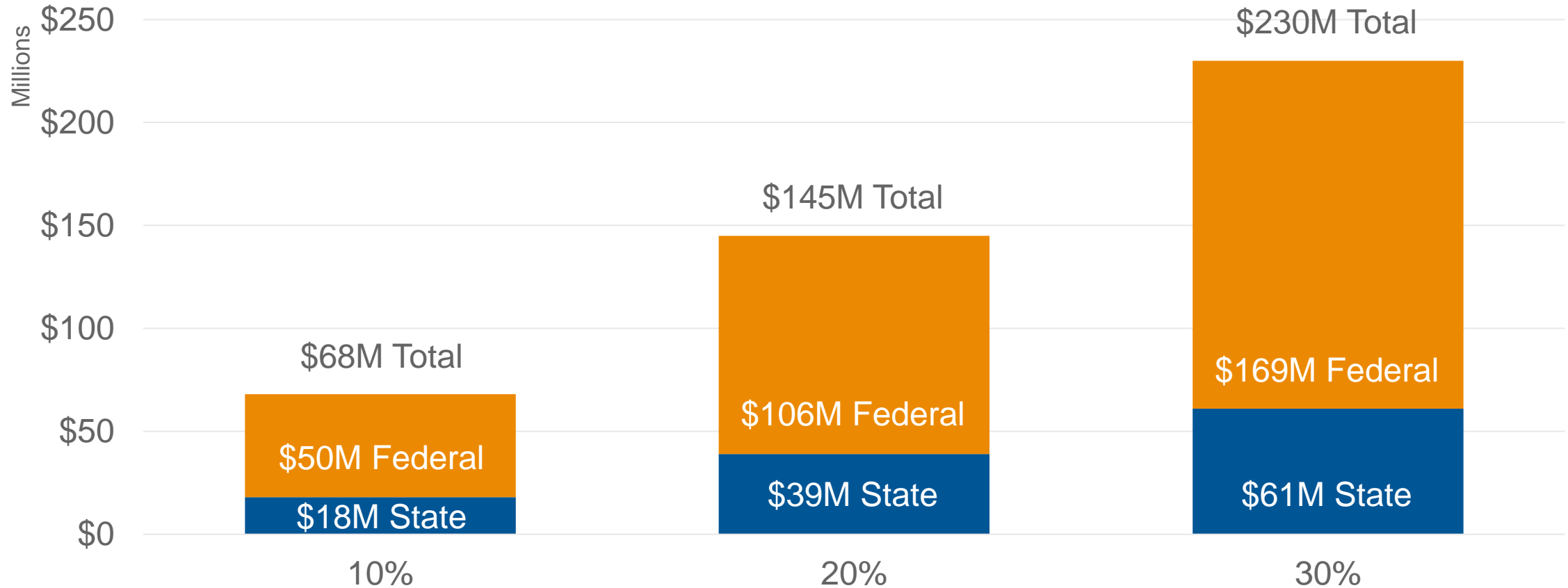
Draft estimates for discussion only; not intended to represent exact rate changes.

Financial Impacts of Raising Behavioral Health Provider Rates, Per Year: CCOs



Draft estimates for discussion only; not intended to represent exact rate changes.

Financial Impacts of Raising Behavioral Health Provider Rates, Per Year: FFS + CCOs Combined



Draft estimates for discussion only; not intended to represent exact rate changes.

Thank You

The logo for the Oregon Health Authority is centered within a light blue, rounded rectangular background. The word "Oregon" is written in a smaller, orange, serif font above the "Health" portion of the main text. The word "Health" is written in a large, dark blue, serif font. Below "Health", the word "Authority" is written in a smaller, orange, serif font. A thin orange horizontal line is located at the bottom of the slide, below the logo area.

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