



March 13, 2023

Members of the House Committee
On Behavioral Health and Health Care
900 Court Street NE
Salem, Oregon 97301

Re: In Support of HB 2455 – Increasing statewide capacity of licensed residential facilities

Chair Nosse, Vice-Chairs Goodwin and Nelson, Members of the Committee:

My name is Julie Ibrahim and I'm the CEO for New Narrative, a 45-year-old 501(c)(3) non-profit, integrative mental health provider focused on the social determinants of health operating in Washington and Multnomah counties, within the greater Portland Metro area. NN operates nearly 40 sites, which include comprehensive outpatient and residential mental health treatment, peer support programs, and a housing continuum that ranges from residential treatment to supported and independent housing. Our mission is to provide resources so people seeking mental health care can develop the "tools to thrive, not just survive." Serving over 3,000 people annually, and with over 300 employees, we envision a future where everyone seeking mental health care can live the life they choose.

New Narrative urges you to support HB 2455, to increase statewide capacity of licensed residential facilities serving individuals with substance use disorders or mental health concerns.

I am a member of the behavioral health provider community upon which the state relies to provide care for Oregonians with complex mental health and housing needs. First, I want to thank you for your unprecedented investment last session to begin expanding access to behavioral health for Oregonians. It helped tremendously with workforce retention and helped us to keep our residential treatment facilities open. However, the investment last session was only a first step in adequately funding the need for additional beds along the residential continuum. From residential treatment facilities to supported housing – OHA reports 70% of the need remains.

We at New Narrative want you to know that if the legislature were to invest, our organization would definitely apply to expand our services. This year we're adding 37 beds which was funded last year's RFP bringing our total residential treatment bed count to 122, and over the next 2 years we'd like to add 24 more beds – bringing our count to 146, and build a team-based care approach that includes peer support services and an emphasis on community integration. We'd like to do more, but we worry about being able to staff these facilities. We had to temporarily close one of our residential treatment facilities in January and have just now hired enough staff to re-open.

Regarding the RFP process:

- We appreciate the ample time given to apply last year and would appreciate the same in future RFPs.



- Also, future RFPs need to include an ample allocated reserve pool for project cost overruns to retrofit existing properties, since we cannot predict the costs with 100% accuracy before we purchase properties. Not being able to ask for additional funds for cost overruns that are 100% legitimate means we must carry those costs in the form of debt. This can have consequences for our agency.
- Providers need more clarity in the budgeting process/templates about maximum allowable construction cost contingencies, cost per unit, prevailing wage rates, and developer fees.

The investments the Legislature is making will only work if we also acknowledge the increasing costs of retaining and growing a workforce. While recent rate increases were incredibly helpful, they did not solve our problem going forward. An average of 10-15% of our frontline positions remain open at any point in time and we lose workers who jump to delivery service and warehouse jobs that increasingly are paying in the \$22-\$25/hour range and are less emotionally taxing. We need rate increases every year to keep up with competitive wage inflation and to pay our workers a living wage – which is currently a minimum of \$22/hour in the Portland area. Currently we can only afford \$19/hr.

In the past, rate increases were followed by years, and sometimes over a decade, of stagnation. Any facility investment has to happen in partnership with a commitment to increasing rates on a regular and predictable basis so we can continue to pay our people a living wage. We know there is a need, and we want to open more residential treatment facilities as they are a vital resource within our community. We have to know we will be able to staff any facility we open in the coming years, or we will not be able to apply for the RFPs.

Thank you for the opportunity to testify.

In partnership,

Julie Ibrahim

Julie Ibrahim, CEO