

Comments in Opposition: House Bill 4139

From Chris Bouneff, Executive Director, NAMI Oregon
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House Behavioral Health and Health Care Committee

NAMI Oregon wishes to express its opposition to House Bill 4139, which would eliminate the analysis and public comment periods afforded through Oregon's certificate of need process for new free-standing psychiatric inpatient hospitals.

In expressing our opposition, we note that our expertise is related only to psychiatric inpatient hospitals, which are designed to deliver short-term acute care for symptoms related to mental health disorders. NAMI Oregon cannot comment on other facility-based care environments referenced in the legislation.

As background, NAMI Oregon is a grassroots membership-governed organization with 17 local chapters spread across Oregon. Our membership is almost entirely composed of individuals and families living with mental illness. Through our free education and support programs, we serve 14,000 Oregonians annually. We serve another 2,000 individuals annually through our Resource Helpline.

Why a Certificate of Need Process Is Valuable

The Certificate of Need (CN) process is a requirement in most states. In Oregon, the CN process applies to free-standing inpatient psychiatric hospitals that aren't connected to existing hospital systems and the full range of hospital-level services that such hospital systems provide.

The CN process is a detailed analysis that evaluates whether a proposed service or facility is actually needed. Given ever-escalating health care costs, an up-front analysis helps determine the impact — both good and bad — that a proposed facility will have ongoing before new capacity is developed.

NAMI Oregon supports Oregon's current CN evaluation requirement as it relates to hospital inpatient psychiatric treatment. This level of treatment represents the most expensive level of care. And it serves the fewest people for the shortest duration than other levels of care. Ideally, a patient stays no more than 14 days in psychiatric hospital inpatient care before transitioning to a lower level of care, including residential treatment if medically necessary and if available.

Behavioral health care spending is finite. If Oregon over-builds or builds the wrong type of inpatient care in the wrong place, one of two outcomes is likely. First, we will divert funding from less costly and more effective community services that prevent crises. Or second, we will create an economic environment in which we simply relocate beds because current inpatient providers leave the business.

There are multiple ways by which Oregon evaluates and analyzes what resources should go where. Through the legislative process, advisory committees, requests for proposals, certificate

of need — there are a multitude of pathways by which the state collaborates with stakeholders to determine priorities and proposals.

All of these processes are designed to lead to quality decision-making so that resources match priorities and are reasonably accessible across Oregon. The processes also permit organizations such as NAMI Oregon, which is the only advocacy organization to represent both individuals living with mental illness and their families and loved ones, to participate in the decision-making process.

Data and Analysis Should Drive Decisions

NAMI Oregon applauds the release of the draft report from Pacific Consulting Group¹ (PCG) that is the state’s first in-depth independent analysis of residential and inpatient need for mental health and substance use disorders since the Oregon State Hospital Master Plan was issued in 2006.

The PCG draft report should drive discussion around what new investments should be made, where resources should be located, and how new development should be sequenced. We can’t do it all at once. Instead, the PCG report provides a potential blueprint by which regional planning can drive decision-making that matches regional priorities.

Services Should Be Regionally Available

We now finally have independent analysis from PCG that Oregon could benefit from 173 additional short-term hospital inpatient psychiatric care beds. Moreover, PCG’s analysis looks at those needs by Trauma System Area, breaking down its analysis based on how Oregon organizes its Area Trauma Advisory Board system.

When comparing needs for short-term inpatient psychiatric care based by region, and considering analysis in the most recent Certificate of Need process, NAMI Oregon believes the state finally has quality information from which to make decisions.

Need for Short-Term Hospital Capacity		
Trauma Region	Additional Beds	Notes
Area 1: Portland metro	60	A detailed analysis found that new beds should ensure adequate number are dedicated to serving Oregon Health Plan members, patients on mental health holds, and civil commitment patients.
Area 2: Douglas County	12	New beds about to open in Roseburg. The area has been without short-term inpatient care since 2007.
Areas 3,5,6,7,9	101	In light of the PCG draft report, new analysis is needed to determine regional needs for short-term inpatient hospital care.
Total New Inpatient Needs	173	PCG draft report identified need for 173 new short-term inpatient hospital beds.

The same report identifies the most pressing need in Oregon is to develop new residential services in both the mental health system and the system serving substance use disorders. In total, around 3,000 new residential beds are needed, including 171 new Secure Residential Treatment Facility beds that serve people with serious mental illness with acute symptoms.

Each region will have its own pressing needs, and how new resources are developed in each region will be critical. Funding is finite, and there is a workforce shortage. Developing capacity

¹ Oregon Health Authority Behavioral Health Residential & Facility Study Draft Report, January 2024, Pacific Consulting Group: <https://www.oregon.gov/oha/HSD/AMH/docs/OR-BH-Residential-Facility-Study-January-2024.pdf>

must be sequenced in a manner that meets pressing needs when considering both funding and workforce limitations.

PCG is expected to issue a final report in June that will provide more clarity on its analysis and provide cost estimates as to how much ongoing investment is necessary to pay for the costs of care related to developing new facility-based care environments.

Most Certificate of Need Applications Are Approved

Proposals to add capacity — especially proposals for free-standing psychiatric hospitals that solely rely on such care for profitability — should be carefully considered because spending on behavioral health is finite.

In the past 20 years, there have been four CN applications to develop free-standing psychiatric hospitals. NAMI Oregon participated in all four evaluations, providing input at various junctures and monitoring correspondence between the Oregon Health Authority and the applicants. The Oregon Health Authority approved three of those applications.

Opportunity Awaits

The draft PCG report finally gives Oregon a snapshot of our global need for new capacity among the various levels of facility-based care. The report also provides key information to begin assessing needs based on region by utilizing the Trauma System Area structure.

The report should be a springboard for collective planning that leads us into the 2025 Legislature and for planning at agency levels related to how, when, where, and what type of new capacity should take priority.

We must pursue a thoughtful and strategic approach. Again, ongoing funding for services is finite. And qualified workforce is in short supply. If we adopt a firehose approach to our current crisis, we will never emerge from our current hole. But if we are planful and purposeful, Oregon finally can start digging out.

Thank you for this opportunity to provide input on HB 4139.