A-Engrossed
House Bill 2202

Ordered by the House April 16
Including House Amendments dated April 16

Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of House Interim Committee on Behavioral Health and Health Care for Representative Rob Nosse)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act makes changes to laws relating to mental health and SUD treatment. (Flesch Readability Score: 76.5).

[*Digest: The Act tells OHA to study certain chapters of statutes. (Flesch Readability Score: 69.7).*]

[*Requires the Oregon Health Authority to study redundancies in the provisions of ORS chapters 414 and 430. Directs the authority to submit findings to the interim committees of the Legislative Assembly related to health not later than September 15, 2026.*]

[*Sunsets on January 2, 2027.*]

Modifies certain statutes to clarify roles and responsibilities for the delivery of behavioral health services and to update terminology.

A BILL FOR AN ACT

Relating to behavioral health; amending ORS 414.592, 414.780, 430.010, 430.021, 430.215, 430.265, 430.389, 430.610, 430.630, 430.634, 430.637, 430.640, 430.644, 430.646, 430.695, 430.705, 430.709, 430.731, 430.739, 430.743 and 430.905.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 414.592 is amended to read:

414.592. Notwithstanding ORS 414.590:

(1) Contracts between the Oregon Health Authority and coordinated care organizations or individual providers for the provision of behavioral health services must align with the quality metrics and incentives developed by the Behavioral Health Committee under ORS 413.017 and contain provisions that ensure that:

(a) Individuals have easy access to needed care;

(b) Services are responsive to individual and community needs; and

(c) Services will [*lead to meaningful improvement in individuals' lives*] **support an individual's progress towards clinical goals, as defined in the individual's service plan**.

(2) The authority must provide at least 90 days' notice of changes needed to contracts that are necessary to comply with subsection (1) of this section.

SECTION 2. ORS 414.780 is amended to read:

414.780. (1) As used in this section:

(a) "Behavioral health coverage" means mental health treatment and services and substance use disorder treatment or services reimbursed by a coordinated care organization.

(b) "Coordinated care organization" has the meaning given that term in ORS 414.025.

(c) "Mental health treatment and services" means the treatment of or services provided to ad-

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

dress any condition or disorder that falls under any of the diagnostic categories listed in the mental disorders section of the current edition of the:

(A) International Classification of Disease; or

(B) Diagnostic and Statistical Manual of Mental Disorders.

(d) "Nonquantitative treatment limitation" means a limitation that is not expressed numerically but otherwise limits the scope or duration of behavioral health coverage, such as medical necessity criteria or other utilization review.

(e) "Substance use disorder treatment and services" means the treatment of and any services provided to address any condition or disorder that falls under any of the diagnostic categories listed in the substance use section of the current edition of the:

(A) International Classification of Disease; or

(B) Diagnostic and Statistical Manual of Mental Disorders.

(2) No later than March 1 of each calendar year, the Oregon Health Authority shall prescribe the form and manner for each coordinated care organization to report to the authority, on or before June 1 of the calendar year, information about the coordinated care organization's compliance with mental health parity requirements, including but not limited to the following:

(a) The specific plan or coverage terms or other relevant terms regarding the nonquantitative treatment limitations and a description of all mental health or substance use disorder benefits and medical or surgical benefits to which each such term applies in each respective benefits classification.

(b) The factors used to determine that the nonquantitative treatment limitations will apply to mental health or substance use disorder benefits and medical or surgical benefits.

(c) The evidentiary standards used for the factors identified in paragraph (b) of this subsection, when applicable, provided that every factor is defined, and any other source or evidence relied upon to design and apply the nonquantitative treatment limitations to mental health or substance use disorder benefits and medical or surgical benefits.

(d) The number of denials of coverage of mental health treatment and services, substance use disorder treatment and services and medical and surgical treatment and services, the percentage of denials that were appealed, the percentage of appeals that upheld the denial and the percentage of appeals that overturned the denial.

(e) The percentage of claims for behavioral health coverage and for coverage of medical and surgical treatments that were paid to in-network providers and the percentage of such claims that were paid to out-of-network providers.

(f) The documentation standards or requirements used for entry into services for mental health treatment and services, substance use disorder treatment and services and medical and surgical treatment and services.

[*(f)*] **(g)** Other data or information the authority deems necessary to assess a coordinated care organization's compliance with mental health parity requirements.

(3) Coordinated care organizations must demonstrate in the documentation submitted under subsection (2) of this section, that the processes, strategies, evidentiary standards and other factors used to apply nonquantitative treatment limitation to mental health or substance use disorder treatment, as written and in operation, are comparable to and are applied no more stringently that the processes, strategies, evidentiary standards and other factors used to apply nonquantitative treatment limitations to medical or surgical treatments in the same classification.

(4) Each calendar year the authority, in collaboration with individuals representing behavioral

health treatment providers, community mental health programs, coordinated care organizations, the Consumer Advisory Council established in ORS 430.073 and consumers of mental health or substance use disorder treatment, shall, based on the information reported under subsection (2) of this section, identify and assess:

(a) Coordinated care organizations' compliance with the requirements for parity between the behavioral health coverage and the coverage of medical and surgical treatment in the medical assistance program; and

(b) The authority's compliance with the requirements for parity between the behavioral health coverage and the coverage of medical and surgical treatment in the medical assistance program for individuals who are not enrolled in a coordinated care organization.

(5) No later than December 31 of each calendar year, the authority shall submit a report to the interim committees of the Legislative Assembly related to mental or behavioral health, in the manner provided in ORS 192.245, that includes:

(a) The authority's findings under subsection (4) of this section on compliance with rules regarding mental health parity, including a comparison of coverage for members of coordinated care organizations to coverage for medical assistance recipients who are not enrolled in coordinated care organizations as applicable; and

(b) An assessment of:

(A) The adequacy of the provider network as prescribed by the authority by rule.

(B) The timeliness of access to mental health and substance use disorder treatment and services, as prescribed by the authority by rule.

(C) The criteria used by each coordinated care organization to determine medical necessity and behavioral health coverage, including each coordinated care organization's payment protocols and procedures.

(D) Data on services that are requested but that coordinated care organizations are not required to provide.

(E) The consistency of credentialing requirements for behavioral health treatment providers with the credentialing of medical and surgical treatment providers.

(F) The utilization review, as defined by the authority by rule, applied to behavioral health coverage compared to coverage of medical and surgical treatments.

(G) The specific findings and conclusions reached by the authority with respect to the coverage of mental health and substance use disorder treatment and the authority's analysis that indicates that the coverage is or is not in compliance with this section.

(H) The specific findings and conclusions of the authority demonstrating a coordinated care organization's compliance with this section and with the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (P.L. 110-343) and rules adopted thereunder.

(6) Except as provided in subsection (5)(b)(D) of this section, this section does not require coordinated care organizations to report data on services that are not funded on the prioritized list of health services compiled by the Health Evidence Review Commission under ORS 414.690.

SECTION 3. ORS 430.389, as amended by section 68, chapter 70, Oregon Laws 2024, is amended to read:

430.389. (1) The Oversight and Accountability Council shall approve grants and funding provided by the Oregon Health Authority in accordance with this section to implement Behavioral Health Resource Networks and increase access to community care. A Behavioral Health Resource Network is an entity or collection of entities that individually or jointly provide some or all of the services

described in subsection (2)(e) of this section.

(2)(a) The authority shall establish an equitable:

(A) Process for applying for grants and funding by agencies or organizations, whether government or community based, to establish Behavioral Health Resource Networks for the purposes of immediately screening the acute needs of individuals with substance use, including those who also have a mental illness, and assessing and addressing any ongoing needs through ongoing case management, harm reduction, treatment, housing and linkage to other care and services.

(B) Evaluation process to assess the effectiveness of Behavioral Health Resource Networks that receive grants or funding.

(b) Recipients of grants or funding must be licensed, certified or credentialed by the state, including certification under ORS 743A.168 (9), or meet criteria prescribed by rule by the authority under ORS 430.390. A recipient of a grant or funding under this subsection may not use the grant or funding to supplant the recipient's existing funding.

(c) The council and the authority shall ensure that residents of each county have access to all of the services described in paragraph (e) of this subsection.

(d) Applicants for grants and funding may apply individually or jointly with other network participants to provide services in one or more counties.

(e) A network must have the capacity to provide the following services and any other services specified by the authority by rule but no individual participant in a network is required to provide all of the services:

(A) Screening by certified addiction peer support or wellness specialists or other qualified persons designated by the council to determine a client's need for immediate medical or other treatment to determine what acute care is needed and where it can be best provided, identify other needs and link the client to other appropriate local or statewide services, including treatment for substance use and coexisting health problems, housing, employment, training and child care. Networks shall provide this service 24 hours a day, seven days a week, every calendar day of the year through a telephone line or other means. Networks may rely on the statewide telephone hotline established by the authority under ORS 430.391 for telephone screenings during nonbusiness hours such as evenings, weekends and holidays. Notwithstanding paragraph (c) of this subsection, only one grantee in each network within each county is required to provide the screenings described in this subparagraph.

(B) Comprehensive behavioral health needs assessment, including a substance use screening by a certified alcohol and drug counselor or other credentialed addiction treatment professional. The assessment shall prioritize the self-identified needs of a client.

(C) Individual intervention planning, case management and connection to services. If, after the completion of a screening, a client indicates a desire to address some or all of the identified needs, a case manager shall work with the client to design an individual intervention plan. The plan must address the client's need for substance use treatment, coexisting health problems, housing, employment and training, child care and other services.

(D) Ongoing peer counseling and support from screening and assessment through implementation of individual intervention plans as well as peer outreach workers to engage directly with marginalized community members who could potentially benefit from the network's services.

(E) Assessment of the need for, and provision of, mobile or virtual outreach services to:

(i) Reach clients who are unable to access the network; and

(ii) Increase public awareness of network services.

(F) Harm reduction services and information and education about harm reduction services.

(G) Low-barrier substance use treatment.

(H) Transitional and supportive housing for individuals with substance use.

(f) If an applicant for a grant or funding under this subsection is unable to provide all of the services described in paragraph (e) of this subsection, the applicant may identify how the applicant intends to partner with other entities**, including community mental health programs,** to provide the services, and the authority and the council may facilitate collaboration among applicants.

(g) All services provided through the networks must be evidence-informed, trauma-informed, culturally specific, linguistically responsive, person-centered and nonjudgmental. The goal shall be to address effectively the client's substance use and any other social determinants of health.

(h) The networks must be adequately staffed to address the needs of people with substance use within their regions as prescribed by the authority by rule, including, at a minimum, at least one person in each of the following categories:

(A) Alcohol and drug counselor certified by the authority or other credentialed addiction treatment professional;

(B) Case manager;

(C) Addiction peer support specialist certified by the authority;

(D) Addiction peer wellness specialist certified by the authority;

(E) Recovery mentor, certified by the Mental Health and Addiction Certification Board of Oregon or its successor organization; and

(F) Youth support specialist certified by the authority.

(i) Verification of a screening by a certified addiction peer support specialist, wellness specialist or other person in accordance with paragraph (e)(A) of this subsection shall promptly be provided to the client by the entity conducting the screening. If the client executes a valid release of information, the entity shall provide verification of the screening to the authority or a contractor of the authority and the authority or the authority's contractor shall forward the verification to any entity the client has authorized to receive the verification.

(3)(a) If moneys remain in the Drug Treatment and Recovery Services Fund after the council has committed grants and funding to establish behavioral health resource networks serving every county in this state, the council shall authorize grants and funding to other agencies or organizations, whether government or community based, and to the nine federally recognized tribes in this state and service providers that are affiliated with the nine federally recognized tribes in this state to increase access to one or more of the following:

(A) Low-barrier substance use treatment that is evidence-informed, trauma-informed, culturally specific, linguistically responsive, person-centered and nonjudgmental;

(B) Peer support and recovery services;

(C) Transitional, supportive and permanent housing for persons with substance use;

(D) Harm reduction interventions including, but not limited to, overdose prevention education, access to short-acting opioid antagonists, as defined in ORS 689.800, and sterile syringes and stimulant-specific drug education and outreach; or

(E) Incentives and supports to expand the behavioral health workforce to support the services delivered by behavioral health resource networks and entities receiving grants or funding under this subsection.

(b) A recipient of a grant or funding under this subsection may not use the grant or funding to supplant the recipient's existing funding.

(4) In awarding grants and funding under subsections (1) and (3) of this section, the council shall:

(a) Distribute grants and funding to ensure access to:

(A) Historically underserved populations; and

(B) Culturally specific and linguistically responsive services.

(b) Consider any inventories or surveys of currently available behavioral health services.

(c) Consider available regional data related to the substance use treatment needs and the access to culturally specific and linguistically responsive services in communities in this state.

(d) Consider the needs of residents of this state for services, supports and treatment at all ages.

(5) The council shall require any government entity that applies for a grant to specify in the application details regarding subgrantees and how the government entity will fund culturally specific organizations and culturally specific services. A government entity receiving a grant must make an explicit commitment not to supplant or decrease any existing funding used to provide services funded by the grant.

(6) In determining grants and funding to be awarded, the council may consult the comprehensive addiction, prevention, treatment and recovery plan established by the Alcohol and Drug Policy Commission under ORS 430.223 and the advice of any other group, agency, organization or individual that desires to provide advice to the council that is consistent with the terms of this section.

(7) Services provided by grantees, including services provided by a Behavioral Health Resource Network, shall be free of charge to the clients receiving the services. Grantees in each network shall seek reimbursement from insurance issuers, the medical assistance program or any other third party responsible for the cost of services provided to a client and grants and funding provided by the council or the authority under this section may be used for copayments, deductibles or other out-of-pocket costs incurred by the client for the services.

(8) Subsection (7) of this section does not require the medical assistance program to reimburse the cost of services for which another third party is responsible in violation of 42 U.S.C. 1396a(25).

SECTION 4. ORS 430.610 is amended to read:

430.610. It is declared to be the policy and intent of the Legislative Assembly that:

(1) Subject to the availability of funds **appropriated or otherwise made available by the Legislative Assembly**, services should be available to all persons with [*mental or emotional disturbances, developmental disabilities, alcoholism or drug dependence, and persons who are alcohol or drug abusers,*] **mental health or substance use disorders or intellectual or developmental disabilities,** regardless of age, county of residence or ability to pay;

(2) The Department of Human Services, the Oregon Health Authority and other state agencies shall conduct their activities in the least costly and most efficient manner so that delivery of services to persons with [*mental or emotional disturbances, developmental disabilities, alcoholism or drug dependence, and persons who are alcohol or drug abusers,*] **mental health or substance use disorders or intellectual or developmental disabilities** shall be effective and coordinated;

(3) To the greatest extent possible, mental health **and substance use disorder treatment** and developmental disabilities services shall be delivered in the community where the person lives in order to achieve maximum coordination of services and minimum disruption in the life of the person; and

(4) The State of Oregon shall encourage, aid and [*financially assist*] **support** its county governments [*in the establishment and development of*] **and the nine federally recognized Indian tribes in this state to establish and develop** community mental health programs or community develop-

mental disabilities programs[*, including but not limited to, treatment and rehabilitation*] **to provide** services for persons with [*mental or emotional disturbances, developmental disabilities, alcoholism or drug dependence, and persons who are alcohol or drug abusers, and prevention of these problems through county administered community mental health programs or community developmental disabilities programs*] **mental health or substance use disorders or intellectual or developmental disabilities**.

SECTION 5. ORS 430.637 is amended to read:

430.637. (1) As used in this section:

(a) "Assessment" means an on-site quality assessment of an organizational provider that is conducted:

(A) If the provider has not been accredited by a national [*organization meeting*] **accrediting body that offers behavioral health accreditation that meets** the quality standards of the Oregon Health Authority;

(B) By the Oregon Health Authority, another state agency or a contractor on behalf of the authority or another state agency; and

(C) For the purpose of issuing a certificate of approval.

(b) "Organizational provider" means an organization that provides mental health treatment or chemical dependency treatment and is not a coordinated care organization.

(2) To the extent practicable and to reduce administrative burden and avoid duplication, the Oregon Health Authority shall accept the standards of a national accrediting body. The authority shall post to its website, for each national accrediting body that offers behavioral health accreditation, the standards that meet the quality standards of the authority.

[*(2)*] **(3)** The Oregon Health Authority shall convene a committee, in accordance with ORS 183.333, to advise the authority with respect to the adoption, by rule, of criteria for an assessment. The advisory committee shall advise the authority during the development of the criteria. The advisory committee shall be reconvened [*as needed*] **annually** to advise the authority with respect to updating the criteria to conform to changes in national accreditation standards or federal requirements for health plans and to advise the authority on opportunities to improve the assessment process. The advisory committee shall include, but is not limited to:

(a) A representative of each coordinated care organization certified by the authority;

(b) Representatives of organizational providers;

(c) Representatives of insurers and health care service contractors that have been accredited by the National Committee for Quality Assurance; and

(d) Representatives of insurers that offer Medicare Advantage Plans that have been accredited by the National Committee for Quality Assurance.

[*(3)*] **(4)** The advisory committee described in subsection [*(2)*] **(3)** of this section shall recommend:

(a) Objective criteria for a shared assessment tool that complies with national accreditation standards and federal requirements for health plans;

(b) Procedures for conducting an assessment;

(c) Procedures to eliminate redundant reporting requirements for organizational providers; and

(d) A process for addressing concerns that arise between assessments regarding compliance with quality standards.

[*(4)*] **(5)** If another state agency, or a contractor on behalf of the state agency, conducts an assessment that meets the criteria adopted by the authority under subsection [*(2)*] **(3)** of this section, the authority [*may*] **shall** rely on the assessment as evidence that the organizational provider meets

the assessment requirement for receiving a certificate of approval.

[*(5)*] **(6)** The authority shall provide a report of an assessment to the organizational provider that was assessed and, upon request, to a coordinated care organization, insurer or health care service contractor.

[*(6)*] **(7)** If an organizational provider has not been accredited by a national organization that is acceptable to a coordinated care organization, the coordinated care organization shall rely on the assessment conducted in accordance with the criteria adopted under subsection [*(2)*] **(3)** of this section as evidence that the organizational provider meets the assessment requirement.

[*(7)*] **(8)** This section does not[*:*]

[*(a)*] prevent a coordinated care organization from requiring its own on-site quality assessment if the authority, another state agency or a contractor on behalf of the authority or another state agency has not conducted an assessment in the preceding 36-month period[*; or*]

[*(b) Require a coordinated care organization to contract with an organizational provider*].

[*(8)(a)*] **(9)(a)** The authority shall adopt by rule standards for determining whether information requested by a coordinated care organization from an organizational provider is redundant with respect to the reporting requirements for an assessment or if the information is outside of the scope of the assessment criteria.

(b) A coordinated care organization may request additional information from an organizational provider, in addition to the report of the assessment, if [*the request*]:

(A) **The request** is not redundant and is within the scope of the assessment according to standards adopted by the authority as described in this subsection; [*and*] **or**

(B) [*Is necessary to resolve questions about whether an organizational provider meets the coordinated care organization's policies and procedures for credentialing*] **The organizational provider has been required by the authority to take corrective action**.

(c) The authority shall implement a process for resolving a complaint by an organizational provider that a reporting requirement imposed by a coordinated care organization is redundant or outside of the scope of the assessment criteria.

[*(9)(a)*] **(10)(a)** The authority shall establish and maintain a database containing the documents required by coordinated care organizations for the purpose of credentialing an organizational provider.

(b) With the advice of the committee described in subsection [*(2)*] **(3)** of this section, the authority shall adopt by rule the content and operational function of the database including, at a minimum:

(A) The types of organizational providers for which information is stored in the database;

(B) The types and contents of documents that are stored in the database;

(C) The frequency by which the documents the authority shall obtain updated documents;

(D) The means by which the authority will obtain the documents; and

(E) The means by which coordinated care organizations can access the documents in the database.

(c) The authority shall provide training to coordinated care organization staff who are responsible for processing credentialing requests on the use of the database.

SECTION 6. ORS 430.646 is amended to read:

430.646. In allocating funds for community mental health programs affecting persons with mental [*or emotional disturbances*] **health or substance use disorders**, the Oregon Health Authority shall observe the following priorities:

(1) To ensure the establishment and operation of community mental health programs for persons with mental [*or emotional disturbances*] **health or substance use disorders** in every geographic area of the state to provide some services in each category of services described in ORS 430.630 (3) unless a waiver has been granted;

(2) To ensure survival of services that address the needs of persons within the priority of services under ORS 430.644 and that meet authority standards;

(3) To develop the interest and capacity of community mental health programs to provide new or expanded services to meet the needs for services under ORS 430.644 and to promote the equal availability of such services throughout the state; and

(4) To encourage and assist in the development of model projects to test new **evidence-based** services and innovative methods of service delivery.

SECTION 7. ORS 430.731 is amended to read:

430.731. (1) The Department of Human Services or a designee of the department shall conduct the investigations and make the findings required by ORS 430.735 to 430.765.

(2) The department shall prescribe by rule policies and procedures for the investigations of allegations of abuse of a person with a developmental disability as described in ORS 430.735 (2)(a) to ensure that the investigations are conducted in a uniform, objective [*and*]**,** thorough **and timely** manner in every county of the state including, but not limited to, policies and procedures that:

(a) Limit the duties of [*investigators*] **an investigator** solely to conducting and reporting investigations of abuse**, unless the department has entered into a written agreement with the employer of the investigator that addresses any potential conflict of interest**;

(b) Establish investigator caseloads based upon the most appropriate investigator-to-complaint ratios;

(c) Establish minimum qualifications for investigators that include the successful completion of training in identified competencies; and

(d) Establish procedures for the screening and investigation of abuse complaints and establish uniform standards for reporting the results of the investigation.

[*(3) A person employed by or under contract with the department, the designee of the department or a community developmental disabilities program to provide case management services may not serve as the lead investigator of an allegation of abuse of a person with a developmental disability.*]

[*(4)*] **(3)** The department shall monitor investigations conducted by a designee of the department.

SECTION 8. ORS 430.739 is amended to read:

430.739. (1) The district attorney in each county shall be responsible for developing county multidisciplinary teams to consist of but not be limited to personnel from the community mental health program, the community developmental disabilities program, the Department of Human Services or a designee of the department, the Oregon Health Authority or a designee of the authority, the local area agency on aging, the district attorney's office, law enforcement and an agency that advocates on behalf of individuals with disabilities, as well as others specially trained in the abuse of adults. A district attorney may delegate the responsibility to develop a county multidisciplinary team under this subsection to a designee or administrator who is or will be a member of the team pursuant to a written agreement.

(2) The teams shall develop a written protocol for immediate investigation of and notification procedures for cases of abuse of adults and for interviewing the victims. Each team also shall develop written agreements signed by member agencies that are represented on the team that specify:

(a) The role of each member agency;

(b) Procedures to be followed to assess risks to the adult;

(c) Guidelines for timely communication between member agencies; and

(d) Guidelines for completion of responsibilities by member agencies.

(3) Each team member shall have access to training in risk assessment, dynamics of abuse of adults and legally sound interview and investigatory techniques.

(4) All investigations of abuse of adults by the department or its designee or the authority or its designee and by law enforcement shall be carried out in a manner consistent with the protocols and procedures called for in this section.

(5) All information obtained by the team members in the exercise of their duties is confidential.

(6) Each team shall develop and implement procedures for evaluating and reporting compliance of member agencies with the protocols and procedures required under this section.

(7) Each team shall report to the [*Department of Justice and the Oregon Criminal Justice Commission*] **district attorney**, no later than July 1 of each year, the number of:

(a) Substantiated allegations of abuse of adults in the county for the preceding calendar year.

(b) Substantiated allegations of abuse referred to law enforcement because there was reasonable cause found that a crime had been committed.

(c) Allegations of abuse that were not investigated by law enforcement.

(d) Allegations of abuse that led to criminal charges.

(e) Allegations of abuse that led to prosecution.

(f) Allegations of abuse that led to conviction.

SECTION 9. ORS 430.743 is amended to read:

430.743. (1) When a report is required under ORS 430.765, an oral **or written** report shall be made immediately by telephone**, secure electronic means** or otherwise to the Department of Human Services, the designee of the department or a law enforcement agency within the county where the person making the report is at the time of contact. If known, the report shall include:

(a) The name, age and present location of the allegedly abused adult;

(b) The names and addresses of persons responsible for the adult's care;

(c) The nature and extent of the alleged abuse, including any evidence of previous abuse;

(d) Any information that led the person making the report to suspect that abuse has occurred plus any other information that the person believes might be helpful in establishing the cause of the abuse and the identity of the perpetrator; and

(e) The date of the incident.

(2) When a report is received by the department's designee under this section, the designee shall immediately determine whether abuse occurred and if the reported victim has sustained any serious injury. If so, the designee shall immediately notify the department. If there is reason to believe a crime has been committed, the designee shall immediately notify the law enforcement agency having jurisdiction within the county where the report was made. If the designee is unable to gain access to the allegedly abused adult, the designee may contact the law enforcement agency for assistance and the agency shall provide assistance. When a report is received by a law enforcement agency, the agency shall immediately notify the law enforcement agency having jurisdiction if the receiving agency does not. The receiving agency shall also immediately notify the department in cases of serious injury or death.

(3) Upon receipt of a report of abuse under this section, the department or its designee shall notify:

(a) The agency providing primary case management services to the adult; and

(b) The guardian or case manager of the adult, unless the notification would undermine the integrity of the investigation because the guardian or case manager is suspected of committing abuse.

SECTION 10. ORS 430.010 is amended to read:

430.010. As used in this chapter:

(1) "Outpatient service" means:

(a) A program or service providing treatment by appointment and by:

(A) Physicians licensed under ORS 677.100 to 677.228;

(B) Psychologists licensed by the Oregon Board of Psychology under ORS 675.010 to 675.150;

(C) Nurse practitioners licensed by the Oregon State Board of Nursing under ORS 678.010 to 678.410;

(D) Regulated social workers authorized to practice regulated social work by the State Board of Licensed Social Workers under ORS 675.510 to 675.600;

(E) Professional counselors or marriage and family therapists licensed by the Oregon Board of Licensed Professional Counselors and Therapists under ORS 675.715 to 675.835; or

(F) Naturopathic physicians licensed by the Oregon Board of Naturopathic Medicine under ORS chapter 685; or

(b) A program or service providing treatment by appointment that is licensed, approved, established, maintained, contracted with or operated by the authority under:

(A) ORS 430.265 to 430.380 and 430.610 to 430.880 for alcoholism;

(B) ORS 430.265 to 430.380, 430.405 to 430.565 and 430.610 to 430.880 for drug addiction; or

(C) ORS 430.610 to 430.880 for mental [*or emotional disturbances*] **health or substance use disorders**.

(2) "Residential facility" means a program or facility [*providing*] **that provides** an organized full-day or part-day program of treatment[. *Such a program or facility shall be*] **and that is** licensed, approved, established, maintained, contracted with or operated by the authority under:

(a) ORS 430.265 to 430.380 and 430.610 to 430.880 for alcoholism;

(b) ORS 430.265 to 430.380, 430.405 to 430.565 and 430.610 to 430.880 for drug addiction; or

(c) ORS 430.610 to 430.880 for mental [*or emotional disturbances*] **health or substance use disorders**.

SECTION 11. ORS 430.021 is amended to read:

430.021. Subject to ORS 417.300 and 417.305:

(1) The Department of Human Services shall directly or through contracts with private entities, counties under ORS 430.620 or other public entities:

(a) Direct, promote, correlate and coordinate all the activities, duties and direct services for persons with developmental disabilities.

(b) Promote, correlate and coordinate the developmental disabilities activities of all governmental organizations throughout the state in which there is any direct contact with developmental disabilities programs.

(c) Establish, coordinate, assist and direct a community developmental disabilities program in cooperation with local government units and integrate such a program with the state developmental disabilities program.

(d) Promote public education in this state concerning developmental disabilities and act as the liaison center for work with all interested public and private groups and agencies in the field of developmental disabilities services.

(2) The Oregon Health Authority shall directly or by contract with private or public entities:

(a) Direct, promote, correlate and coordinate all the activities, duties and direct services for persons with mental [*or emotional disturbances*] **health or substance use disorders**, alcoholism or drug dependence.

(b) Promote, correlate and coordinate the mental health activities of all governmental organizations throughout the state in which there is any direct contact with mental health programs.

(c) Establish, coordinate, assist and direct a community mental health program in cooperation with local government units and integrate such a program with the state mental health program.

(d) Promote public education in this state concerning mental health and act as the liaison center for work with all interested public and private groups and agencies in the field of mental health services.

(3) The department and the authority shall develop cooperative programs with interested private groups throughout the state to effect better community awareness and action in the fields of mental health and developmental disabilities, and encourage and assist in all necessary ways community general hospitals to establish psychiatric services.

(4) To the greatest extent possible, the least costly settings for treatment, outpatient services and residential facilities shall be widely available and utilized except when contraindicated because of individual health care needs. State agencies that purchase treatment for mental [*or emotional disturbances*] **health or substance use disorders** shall develop criteria consistent with this policy. In reviewing applications for certificates of need, the Director of the Oregon Health Authority shall take this policy into account.

(5) The department and the authority shall accept the custody of persons committed to its care by the courts of this state.

(6) The authority shall adopt rules to require a facility and a nonhospital facility as those terms are defined in ORS 426.005, and a provider that employs a person described in ORS 426.415, if subject to authority rules regarding the use of restraint or seclusion during the course of mental health treatment of a child or adult, to report to the authority each calendar quarter the number of incidents involving the use of restraint or seclusion. The aggregate data shall be made available to the public.

SECTION 12. ORS 430.215 is amended to read:

430.215. (1) The Department of Human Services shall be responsible for planning, policy development, administration and delivery of services to children with developmental disabilities and their families. Services to children with developmental disabilities may include, but are not limited to, case management, family support, crisis and diversion services, intensive in-home services, and residential and foster care services. The department may deliver the services directly or through contracts with private entities, counties under ORS 430.620 or other public entities.

(2) The Oregon Health Authority shall be responsible for psychiatric residential and day treatment services for children with mental [*or emotional disturbances*] **health or substance use conditions**.

SECTION 13. ORS 430.265 is amended to read:

430.265. The Oregon Health Authority is authorized to contract with the federal government for services to [*alcohol and drug-dependent*] persons **with a substance use disorder** who are either residents or nonresidents of the State of Oregon.

SECTION 14. ORS 430.630 is amended to read:

430.630. (1) In addition to any other requirements that may be established by rule by the Oregon Health Authority, each community mental health program, subject to the availability of funds, shall

provide guidance and assistance to local Behavioral Health Resource Networks for the joint development of programs and activities to increase access to treatment and shall provide the following basic services to persons with alcoholism or drug dependence, and persons who are alcohol or drug abusers:

(a) Outpatient services;

(b) Aftercare for persons released from hospitals;

(c) Training, case and program consultation and education for community agencies, related professions and the public;

(d) Guidance and assistance to other human service agencies for joint development of prevention programs and activities to reduce factors causing alcohol abuse, alcoholism, drug abuse and drug dependence; and

(e) Age-appropriate treatment options for older adults.

(2) As alternatives to state hospitalization, it is the responsibility of the community mental health program to ensure that, subject to the availability of funds, the following services for persons with alcoholism or drug dependence, and persons who are alcohol or drug abusers, are available when needed and approved by the Oregon Health Authority:

(a) Emergency services on a 24-hour basis, such as telephone consultation, crisis intervention and prehospital screening examination;

(b) Care and treatment for a portion of the day or night, which may include day treatment centers, work activity centers and after-school programs;

(c) Residential care and treatment in facilities such as halfway houses, detoxification centers and other community living facilities;

(d) Continuity of care, such as that provided by service coordinators, community case development specialists and core staff of federally assisted community mental health centers;

(e) Inpatient treatment in community hospitals; and

(f) Other alternative services to state hospitalization as defined by the Oregon Health Authority.

(3) In addition to any other requirements that may be established by rule of the Oregon Health Authority, each community mental health program, subject to the availability of funds, shall provide or ensure the provision of the following services to persons with mental [*or emotional disturbances*] **health or substance use disorders**:

(a) Screening and evaluation to determine the client's service needs;

(b) Crisis stabilization to meet the needs of persons with acute mental [*or emotional disturbances*] **health or substance use disorders**, including the costs of investigations and prehearing detention in community hospitals or other facilities approved by the authority for persons involved in involuntary commitment procedures;

(c) Vocational and social services that are appropriate for the client's age, designed to improve the client's vocational, social, educational and recreational functioning;

(d) Continuity of care to link the client to housing and appropriate and available health and social service needs;

(e) Psychiatric care in state and community hospitals, subject to the provisions of subsection (4) of this section;

(f) Residential services;

(g) Medication monitoring;

(h) Individual, family and group counseling and therapy;

(i) Public education and information;

(j) Prevention of mental [*or emotional disturbances*] **health or substance use disorders** and promotion of mental health;

(k) Consultation with other community agencies;

(L) Preventive mental health services for children and adolescents, including primary prevention efforts, early identification and early intervention services. Preventive services should be patterned after service models that have demonstrated effectiveness in reducing the incidence of emotional, behavioral and cognitive disorders in children. As used in this paragraph:

(A) "Early identification" means detecting emotional disturbance in its initial developmental stage;

(B) "Early intervention services" for children at risk of later development of emotional disturbances means programs and activities for children and their families that promote conditions, opportunities and experiences that encourage and develop emotional stability, self-sufficiency and increased personal competence; and

(C) "Primary prevention efforts" means efforts that prevent emotional problems from occurring by addressing issues early so that disturbances do not have an opportunity to develop; and

(m) Preventive mental health services for older adults, including primary prevention efforts, early identification and early intervention services. Preventive services should be patterned after service models that have demonstrated effectiveness in reducing the incidence of emotional and behavioral disorders and suicide attempts in older adults. As used in this paragraph:

(A) "Early identification" means detecting emotional disturbance in its initial developmental stage;

(B) "Early intervention services" for older adults at risk of development of emotional disturbances means programs and activities for older adults and their families that promote conditions, opportunities and experiences that encourage and maintain emotional stability, self-sufficiency and increased personal competence and that deter suicide; and

(C) "Primary prevention efforts" means efforts that prevent emotional problems from occurring by addressing issues early so that disturbances do not have an opportunity to develop.

(4) A community mental health program shall assume responsibility for psychiatric care in state and community hospitals, as provided in subsection (3)(e) of this section, in the following circumstances:

(a) The person receiving care is a resident of the county served by the program. For purposes of this paragraph, "resident" means the resident of a county in which the person maintains a current mailing address or, if the person does not maintain a current mailing address within the state, the county in which the person is found, or the county in which a court-committed person with a mental illness has been conditionally released.

(b) The person has been hospitalized involuntarily or voluntarily, pursuant to ORS 426.130 or 426.220, except for persons confined to the Secure Child and Adolescent Treatment Unit at Oregon State Hospital, or has been hospitalized as the result of a revocation of conditional release.

(c) Payment is made for the first 60 consecutive days of hospitalization.

(d) The hospital has collected all available patient payments and third-party reimbursements.

(e) In the case of a community hospital, the authority has approved the hospital for the care of persons with mental [*or emotional disturbances*] **health or substance use disorders**, the community mental health program has a contract with the hospital for the psychiatric care of residents and a representative of the program approves voluntary or involuntary admissions to the hospital prior to admission.

(5) Subject to the review and approval of the Oregon Health Authority, a community mental health program may initiate additional services after the services defined in this section are provided.

(6) Each community mental health program and the state hospital serving the program's geographic area shall enter into a written agreement concerning the policies and procedures to be followed by the program and the hospital when a patient is admitted to, and discharged from, the hospital and during the period of hospitalization.

(7) Each community mental health program shall have a mental health advisory committee, appointed by the board of county commissioners or the county court or, if two or more counties have combined to provide mental health services, the boards or courts of the participating counties or, in the case of a Native American reservation, the tribal council.

(8) A community mental health program may request and the authority may grant a waiver regarding provision of one or more of the services described in subsection (3) of this section upon a showing by the county and a determination by the authority that persons with mental [*or emotional disturbances*] **health or substance use disorders** in that county would be better served and unnecessary institutionalization avoided.

(9)(a) As used in this subsection, "local mental health authority" means one of the following entities:

(A) The board of county commissioners of one or more counties that establishes or operates a community mental health program;

(B) The tribal council, in the case of a federally recognized tribe of Native Americans that elects to enter into an agreement to provide mental health services; or

(C) A regional local mental health authority comprising two or more boards of county commissioners.

(b) Each local mental health authority that provides mental health services shall determine the need for local mental health services and adopt a comprehensive local plan for the delivery of mental health services for children, families, adults and older adults that describes the methods by which the local mental health authority shall provide those services. The purpose of the local plan is to create a blueprint to provide mental health services that are directed by and responsive to the mental health needs of individuals in the community served by the local plan. A local mental health authority shall coordinate its local planning with the development of the community health improvement plan under ORS 414.575 by the coordinated care organization serving the area. The Oregon Health Authority may require a local mental health authority to review and revise the local plan periodically.

(c) The local plan shall identify ways to:

(A) Coordinate and ensure accountability for all levels of care described in paragraph (e) of this subsection;

(B) Maximize resources for consumers and minimize administrative expenses;

(C) Provide supported employment and other vocational opportunities for consumers;

(D) Determine the most appropriate service provider among a range of qualified providers;

(E) Ensure that appropriate mental health referrals are made;

(F) Address local housing needs for persons with mental health disorders;

(G) Develop a process for discharge from state and local psychiatric hospitals and transition planning between levels of care or components of the system of care;

(H) Provide peer support services, including but not limited to drop-in centers and paid peer

support;

(I) Provide transportation supports; and

(J) Coordinate services among the criminal and juvenile justice systems, adult and juvenile corrections systems and local mental health programs to ensure that persons with mental illness who come into contact with the justice and corrections systems receive needed care and to ensure continuity of services for adults and juveniles leaving the corrections system.

(d) When developing a local plan, a local mental health authority shall:

(A) Coordinate with the budgetary cycles of state and local governments that provide the local mental health authority with funding for mental health services;

(B) Involve consumers, advocates, families, service providers, schools and other interested parties in the planning process;

(C) Coordinate with the local public safety coordinating council to address the services described in paragraph (c)(J) of this subsection;

(D) Conduct a population based needs assessment to determine the types of services needed locally;

(E) Determine the ethnic, age-specific, cultural and diversity needs of the population served by the local plan;

(F) Describe the anticipated outcomes of services and the actions to be achieved in the local plan;

(G) Ensure that the local plan coordinates planning, funding and services with:

(i) The educational needs of children, adults and older adults;

(ii) Providers of social supports, including but not limited to housing, employment, transportation and education; and

(iii) Providers of physical health and medical services;

(H) Describe how funds, other than state resources, may be used to support and implement the local plan;

(I) Demonstrate ways to integrate local services and administrative functions in order to support integrated service delivery in the local plan; and

(J) Involve the local mental health advisory committees described in subsection (7) of this section.

(e) The local plan must describe how the local mental health authority will ensure the delivery of and be accountable for clinically appropriate services in a continuum of care based on consumer needs. The local plan shall include, but not be limited to, services providing the following levels of care:

(A) Twenty-four-hour crisis services;

(B) Secure and nonsecure extended psychiatric care;

(C) Secure and nonsecure acute psychiatric care;

(D) Twenty-four-hour supervised structured treatment;

(E) Psychiatric day treatment;

(F) Treatments that maximize client independence;

(G) Family and peer support and self-help services;

(H) Support services;

(I) Prevention and early intervention services;

(J) Transition assistance between levels of care;

(K) Dual diagnosis services;

(L) Access to placement in state-funded psychiatric hospital beds;

(M) Precommitment and civil commitment in accordance with ORS chapter 426; and

(N) Outreach to older adults at locations appropriate for making contact with older adults, including senior centers, long term care facilities and personal residences.

(f) In developing the part of the local plan referred to in paragraph (c)(J) of this subsection, the local mental health authority shall collaborate with the local public safety coordinating council to address the following:

(A) Training for all law enforcement officers on ways to recognize and interact with persons with mental illness, for the purpose of diverting them from the criminal and juvenile justice systems;

(B) Developing voluntary locked facilities for crisis treatment and follow-up as an alternative to custodial arrests;

(C) Developing a plan for sharing a daily jail and juvenile detention center custody roster and the identity of persons of concern and offering mental health services to those in custody;

(D) Developing a voluntary diversion program to provide an alternative for persons with mental illness in the criminal and juvenile justice systems; and

(E) Developing mental health services, including housing, for persons with mental illness prior to and upon release from custody.

(g) Services described in the local plan shall:

(A) Address the vision, values and guiding principles described in the Report to the Governor from the Mental Health Alignment Workgroup, January 2001;

(B) Be provided to children, older adults and families as close to their homes as possible;

(C) Be culturally appropriate and competent;

(D) Be, for children, older adults and adults with mental health needs, from providers appropriate to deliver those services;

(E) Be delivered in an integrated service delivery system with integrated service sites or processes, and with the use of integrated service teams;

(F) Ensure consumer choice among a range of qualified providers in the community;

(G) Be distributed geographically;

(H) Involve consumers, families, clinicians, children and schools in treatment as appropriate;

(I) Maximize early identification and early intervention;

(J) Ensure appropriate transition planning between providers and service delivery systems, with an emphasis on transition between children and adult mental health services;

(K) Be based on the ability of a client to pay;

(L) Be delivered collaboratively;

(M) Use age-appropriate, research-based quality indicators;

(N) Use best-practice innovations; and

(O) Be delivered using a community-based, multisystem approach.

(h) A local mental health authority shall submit to the Oregon Health Authority a copy of the local plan and revisions adopted under paragraph (b) of this subsection at time intervals established by the Oregon Health Authority.

SECTION 15. ORS 430.634 is amended to read:

430.634. (1) In order to improve services to persons with mental [*or emotional disturbances*] **health or substance use disorders** and provide information for uniform analysis, each community mental health program shall collect and report data and evaluate programs in accordance with methods prescribed by the Oregon Health Authority after consultation with the program directors.

(2) Information collected by the authority under subsection (1) of this section shall include, but need not be limited to:

(a) Numbers of persons served;

(b) Ages of persons served;

(c) Types of services provided; and

(d) Cost of services.

(3) Within the limits of available funds allocated for the administration of community mental health programs, community mental health programs shall collect data and evaluate programs with moneys provided by the authority. The authority shall distribute funds so that programs within the same population grouping shall receive equal amounts of funds. The population groupings are:

(a) More than 400,000 population.

(b) Less than 400,000 but more than 100,000.

(c) Less than 100,000 but more than 50,000.

(d) Less than 50,000.

(4) During the first biennium that a new service is funded by the authority, two percent of the service funds shall be set aside for use in data collection and evaluation of the service. Thereafter, the service shall be evaluated as a part of the total community mental health program.

SECTION 16. ORS 430.640 is amended to read:

430.640. (1) The Oregon Health Authority, in carrying out the legislative policy declared in ORS 430.610, subject to the availability of funds, shall:

(a) Assist Oregon counties and groups of Oregon counties in the establishment and financing of community mental health programs operated or contracted for by one or more counties.

(b) If a county declines to operate or contract for a community mental health program, contract with another public agency or private corporation to provide the program. The county must be provided with an opportunity to review and comment.

(c) In an emergency situation when no community mental health program is operating within a county or when a county is unable to provide a service essential to public health and safety, operate the program or service on a temporary basis.

(d) At the request of the tribal council of a federally recognized tribe of Native Americans, contract with the tribal council for the establishment and operation of a community mental health program in the same manner in which the authority contracts with a county court or board of county commissioners.

(e) If a county agrees, contract with a public agency or private corporation for all services within one or more of the following program areas:

(A) Mental [*or emotional disturbances*] **health disorders**.

(B) [*Drug abuse*] **Substance use disorders**.

[*(C) Alcohol abuse and alcoholism.*]

(f) Approve or disapprove the local plan and budget information for the establishment and operation of each community mental health program. Subsequent amendments to or modifications of an approved plan or budget information involving more than 10 percent of the state funds provided for services under ORS 430.630 may not be placed in effect without prior approval of the authority. However, an amendment or modification affecting 10 percent or less of state funds for services under ORS 430.630 within the portion of the program for persons with mental [*or emotional disturbances*] **health disorders** or within the portion for persons with [*alcohol or drug dependence*] **substance use disorders** may be made without authority approval.

(g) Make all necessary and proper rules to govern the establishment and operation of community mental health programs, including adopting rules defining the range and nature of the services which shall or may be provided under ORS 430.630.

(h) Collect data and evaluate services in the state hospitals in accordance with the same methods prescribed for community mental health programs under ORS 430.634.

(i) Develop guidelines that include, for the development of comprehensive local plans in consultation with local mental health authorities:

(A) The use of integrated services;

(B) The outcomes expected from services and programs provided;

(C) Incentives to reduce the use of state hospitals;

(D) Mechanisms for local sharing of risk for state hospitalization;

(E) The provision of clinically appropriate levels of care based on an assessment of the mental health needs of consumers;

(F) The transition of consumers between levels of care; and

(G) The development, maintenance and continuation of older adult mental health programs with mental health professionals trained in geriatrics.

(j) Work with local mental health authorities to provide incentives for community-based care whenever appropriate while simultaneously ensuring adequate statewide capacity.

(k) Provide technical assistance and information regarding state and federal requirements to local mental health authorities throughout the local planning process required under ORS 430.630 (9).

(L) Provide incentives for local mental health authorities to enhance or increase vocational placements for adults with mental health needs.

(m) Develop or adopt nationally recognized system-level performance measures, linked to the Oregon Benchmarks, for state-level monitoring and reporting of mental health services for children, adults and older adults, including but not limited to quality and appropriateness of services, outcomes from services, structure and management of local plans, prevention of mental health disorders and integration of mental health services with other needed supports.

(n) Develop standardized criteria for each level of care described in ORS 430.630 (9), including protocols for implementation of local plans, strength-based mental health assessment and case planning.

(o) Develop a comprehensive long-term plan for providing appropriate and adequate mental health treatment and services to children, adults and older adults that is derived from the needs identified in local plans, is consistent with the vision, values and guiding principles in the Report to the Governor from the Mental Health Alignment Workgroup, January 2001, and addresses the need for and the role of state hospitals.

(p) Report biennially to the Governor and the Legislative Assembly on the progress of the local planning process and the implementation of the local plans adopted under ORS 430.630 (9)(b) and the state planning process described in paragraph (o) of this subsection, and on the performance measures and performance data available under paragraph (m) of this subsection.

(q) On a periodic basis, not to exceed 10 years, reevaluate the methodology used to estimate prevalence and demand for mental health services using the most current nationally recognized models and data.

(r) Encourage the development of regional local mental health authorities comprised of two or more boards of county commissioners that establish or operate a community mental health program.

(2) The Oregon Health Authority may provide technical assistance and other incentives to assist in the planning, development and implementation of regional local mental health authorities whenever the Oregon Health Authority determines that a regional approach will optimize the comprehensive local plan described under ORS 430.630 (9).

(3) The enumeration of duties and functions in subsections (1) and (2) of this section shall not be deemed exclusive nor construed as a limitation on the powers and authority vested in the authority by other provisions of law.

SECTION 17. ORS 430.644 is amended to read:

430.644. Within the limits of available funds, community mental health programs shall provide those services as defined in ORS 430.630 (3)(a) to (h) to persons in the following order of priority:

(1) Those persons who, in accordance with the assessment of professionals in the field of mental health, are at immediate risk of hospitalization for the treatment of mental [*or emotional disturbances*] **health or substance use disorders** or are in need of continuing services to avoid hospitalization or pose a hazard to the health and safety of themselves, including the potential for suicide, or others and those persons under 18 years of age who, in accordance with the assessment of professionals in the field of mental health, are at immediate risk of removal from their homes for treatment of mental [*or emotional disturbances*] **health or substance use conditions** or exhibit behavior indicating high risk of developing [*disturbances*] **conditions** of a severe or persistent nature;

(2) Those persons who, because of the nature of their mental illness, their geographic location or their family income, are least capable of obtaining assistance from the private sector; and

(3) Those persons who, in accordance with the assessment of professionals in the field of mental health, are experiencing mental [*or emotional disturbances*] **health or substance use disorders** but will not require hospitalization in the foreseeable future.

SECTION 18. ORS 430.695 is amended to read:

430.695. (1) Any program fees, third-party reimbursements, contributions or funds from any source, except client resources applied toward the cost of care in group homes for persons with developmental disabilities or mental illness and client resources and third-party payments for community psychiatric inpatient care, received by a community mental health program or a community developmental disabilities program are not an offset to the costs of the services and may not be applied to reduce the program's eligibility for state funds, providing the funds are expended for mental health or developmental disabilities services approved by the Oregon Health Authority or the Department of Human Services.

(2) Within the limits of available funds, the authority and the department may contract for specialized, statewide and regional services including but not limited to group homes for persons with developmental disabilities or mental [*or emotional disturbances*] **health or substance use disorders**, day and residential treatment programs for children and adolescents with mental [*or emotional disturbances*] **health or substance use conditions** and community services for clients of the Psychiatric Security Review Board under ORS 161.315 to 161.351.

(3) Fees and third-party reimbursements, including all amounts paid pursuant to Title XIX of the Social Security Act by the Department of Human Services or the Oregon Health Authority, for mental health services or developmental disabilities services and interest earned on those fees and reimbursements shall be retained by the community mental health program or community developmental disabilities program and expended for any service that meets the standards of ORS 430.630 or 430.662.

SECTION 19. ORS 430.705 is amended to read:

430.705. Notwithstanding ORS 430.640, the State of Oregon, through the Oregon Health Authority, may establish the necessary facilities and provide comprehensive mental health services for children throughout the state. These services may include, but need not be limited to:

(1) The prevention of [*mental illness, emotional disturbances and drug dependency*] **mental health or substance use conditions** in children; and

(2) The treatment of children with [*mental illness, emotional disturbances and drug dependency*] **mental health or substance use conditions**.

SECTION 20. ORS 430.709 is amended to read:

430.709. (1) In accordance with ORS 430.357, and consistent with the budget priority policies adopted by the Alcohol and Drug Policy Commission, the Oregon Health Authority may fund regional centers for the treatment of adolescents with [*drug and alcohol dependencies*] **a substance use condition**.

(2) The authority shall define by rule a minimum number of inpatient beds and outpatient slots necessary for effective treatment and economic operation of any regional center funded by state funds.

(3) The areas to be served by any treatment facility shall be determined by the following:

(a) Areas that demonstrate the most need;

(b) Areas with no treatment program or an inadequate program; and

(c) Areas where there is strong, organized community support for youth treatment programs.

(4) The area need is determined by the local planning committee for alcohol and drug prevention and treatment services under ORS 430.342 using the following information:

(a) Current area youth admissions to treatment programs;

(b) Per capita consumption of alcohol in the area;

(c) Percentage of area population between 10 and 18 years of age;

(d) Whether the area has effective, specialized outpatient and early intervention services in place;

(e) Whether the area suffers high unemployment and economic depression; and

(f) Other evidence of need.

(5) As used in this section, "regional center" means a community residential treatment facility including intensive residential and outpatient care for adolescents with [*drug and alcohol dependencies*] **a substance use condition**.

SECTION 21. ORS 430.905 is amended to read:

430.905. The Legislative Assembly declares:

[*(1) Because the growing numbers of pregnant substance users and drug- and alcohol-affected infants place a heavy financial burden on Oregon's taxpayers and those who pay for health care, it is the policy of this state to take effective action that will minimize these costs.*]

[*(2)*] **(1)** Special attention must be focused on preventive programs and services directed at women at risk of becoming pregnant substance users as well as on pregnant women who use substances or who are at risk of substance use or abuse.

[*(3)*] **(2)** It is the policy of this state to achieve desired results such as alcohol- and drug-free pregnant women and healthy infants through a holistic approach covering the following categories of needs:

(a) Biological-physical need, including but not limited to detoxification, dietary and obstetrical.

(b) Psychological need, including but not limited to support, treatment for anxiety, depression and low self-esteem.

(c) Instrumental need, including but not limited to child care, transportation to facilitate the receipt of services and housing.

(d) Informational and educational needs, including but not limited to prenatal and postpartum health, substance use and parenting.
