

Legislative Fiscal Office

Oregon State Capitol
900 Court Street NE, H-178
Salem, OR 97301
503-986-1828

Ken Rocco, Legislative Fiscal Officer
Paul Siebert, Deputy Legislative Fiscal Officer



Joint Committee on Ways and Means

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Rep. Greg Smith, House Co-Vice Chair

To: Capital Construction Subcommittee

From: Tom MacDonald, Legislative Fiscal Office

Date: February 25, 2020

Subject: SB 1552 – Relating to behavioral health treatment
Work Session Recommendations

Senate Bill 1552, with the -A3 amendment, establishes state funding for the certified community behavioral health clinic (CCBHC) demonstration program through the remainder of the 2019-21 biennium or upon termination of corresponding federal program support, whichever comes earlier.

The measure instructs the Oregon Health Authority (OHA) to evaluate the program by December 1, 2020. The evaluation must determine whether CCBHCs increase access to care, improve health outcomes, lower costs, are compatible with the coordinated care model, and should be continued or expanded. OHA must also examine potential alternative payment methodologies, risk-sharing arrangements, and cost containment measures that may be needed for the ongoing operation of the CCBHC model.

CCBHCs are clinics that provide a comprehensive range of mental health and substance use disorder services, focusing on vulnerable individuals with the most complex needs. Oregon was chosen as one of eight states to operate this program as a two-year demonstration starting in 2017, with 12 different organizations operating clinics throughout the state. The federal government has since extended its support with for the demonstration with enhanced Medicaid match multiple times. At the start of Oregon's CCBHC demonstration, the program was not anticipated to require General Fund support and OHA's 2019-21 legislatively adopted budget ultimately did not include funding to support the program. Most CCBHCs, however, have been able to continue services through February 2020 by using other resources to leverage federal funding. The funding supported by the measure will allow all CCBHCs to continue services through the remainder of the fiscal year.

The estimated fiscal impact in 2019-21 is \$15.3 million General Fund and \$62.9 million Federal Funds, which represents federal Medicaid reimbursement. Most of this funding supports payments to CCBHCs for providing behavioral health services through the remaining 16 months of the biennium. In addition to supporting service payments, the

estimated fiscal impact supports the cost of completing the required evaluation, including support for two limited-duration positions (1.26 FTE).

The -A3 amendment specifies that the program evaluation must also include an assessment of how the program impacts the total cost of providing health care in Oregon, affects the 3.4 percent rate of growth budgeted for Medicaid expenditures, and helps coordinated care organizations reduce the cost of providing care for their members. The amendment also establishes the General Fund appropriation and Federal Funds expenditure limitation associated with the bill's estimated fiscal impact.

Recommended Amendments

LFO recommends adoption of the -A3 amendment.

MOTION: I move adoption of the -A3 amendment to SB 1552 (VOTE)

Final Subcommittee Action

LFO recommends that SB 1552, as amended by the -A3 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move SB 1552, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____