

## Analysis

### Oregon Health Authority

#### Mobile Response and Stabilization Services

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**Analyst:** Tom MacDonald

**Request:** Approve, retroactively, the submission of a federal grant application from the Oregon Health Authority to the U.S. Department of Health and Human Services in the amount of up to \$3 million per year for four years to develop a model for mobile response and stabilization services for children.

**Analysis:** The Oregon Health Authority (OHA) has applied for a federal System of Care Expansion and Sustainability grant for up to \$3 million per year over four years to support the infrastructure and services necessary to develop a children's mobile response and stabilization service (MRSS) model that could eventually be expanded statewide. If awarded, the agency will develop this model in Linn, Benton, Lincoln, and Jackson counties and contract with the three coordinated care organizations in these regions for most grant activities. The objective of the grant is to strengthen local Systems of Care to support children with serious emotional disturbances before they require more intensive interventions and avoid their placement in settings inappropriate for their needs.

MRSS is a model being promoted by Oregon's System of Care Advisory Council, which was established by Senate Bill 1 (2019). MRSS offers initial phone crisis support, in-person or telehealth assessment, and stabilization services for 72 hours or for up to eight weeks for all children who need these services. The major costs in OHA's grant proposal are for consulting and contractual work to develop the model, peer-delivered services, clinical oversight and supervision, service costs for uninsured and underinsured families, training and technical assistance, call center support, two OHA positions, and data analysis and program evaluation. The federal requirements for data analysis and program evaluation constitute the largest single annual cost in the budget plan (\$400,000). This work will be done by Portland State University. Medicaid already covers MRSS service costs; any service costs directly covered by the grant will be for children whose families do not have health insurance or whose insurance does not cover these services.

The grant requires a one-to-three state match for each of the first three years and a one-to-one match for the fourth year. The match can be met through any combination of cash or in-kind support, which OHA can leverage from within the agency and through its grant partners, such as the Department of Human Services (DHS) and non-state organizations. OHA has identified approximately \$624,000 in cash and \$376,000 in in-kind support to initially satisfy the match requirement. The cash portion will be from OHA's crisis and transition services budget, which serves a purpose analogous to MRSS, and DHS child welfare caseload rate savings. OHA believes the need for cash match will diminish as in-kind support from local partners is increasingly identified.

Although the MRSS model developed by this grant is intended to serve as a model for eventual statewide roll-out, the state is under no federal obligation to do so after the four-year grant period. The data analysis and program evaluation requirements will measure this program's success and help determine if the model should be adopted statewide. OHA's 2021-23 agency request budget included a General Fund request to implement a statewide MRSS model. This proposal, however, was not

supported in the Governor's budget recommendation. If OHA ultimately requests additional state funds to support any part of this grant, including for state match or to expand the model statewide, such requests would subject to the budget process for policy proposals and not part of current service level or agency rebalance adjustments.

The agency followed the interim legislative grant approval process by submitting a 10-day notification of intent to apply for the grant on January 15, 2021 and a letter requesting permission to apply on February 5, 2021, which was the date the grant application was due. The retroactive approval process used during interim legislative periods was followed because of the timing of the grant application deadline and early stage of the 2021 legislative session. The federal grant announcement indicates 5-15 grants will be awarded to states, local governments, and tribes for the four-year grant period beginning August 31, 2021. If OHA's application is successful, the agency will return to the Legislature for position authority and Federal Funds expenditure limitation, as needed.

**Legislative Fiscal Office Recommendation:** Approve the request.

# Oregon Health Authority Heath

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**Request:** Retroactively authorize the Oregon Health Authority to apply for a four year, \$12 million federal Substance Abuse and Mental Health Services Administration (SAMHSA) grant to increase mobile response and stabilization services for children and strengthen Oregon’s System of Care.

**Recommendation:** Approve the request.

**Discussion:** The Oregon Health Authority (OHA) requests retroactive legislative approval to apply for a four year, \$12 million federal grant from the Substance Abuse and Mental Health Services Administration to increase mobile response and stabilization services for children and strengthen Oregon’s System of Care for youth and families. The grant application was due on February 5, 2021, and OHA submitted its 10-day grant notification letter on January 19, 2021.

Oregon’s System of Care is a collaboration of state agencies and other partners who support youth and families with behavioral health needs with services that are integrated, youth- and family-focused, community based, and culturally and linguistically responsive. These agencies include the Oregon Department of Human Services, Oregon Department of Education, Oregon Youth Authority, and the Oregon Health Authority, representing the child welfare, intellectual / developmentally disabilities, education, juvenile justice, and children’s behavioral health systems, respectively. Senate Bill 1 (2019) created the System of Care Advisory Council in OHA to provide oversight of the System of Care in Oregon.

OHA would use the grant to create a pilot for Mobile Response and Stabilization services (MRSS) for children. MRSS provides short-term, in-home crisis services for children and youth experiencing behavioral health crises as an alternative to more intensive, costly interventions potentially including systems such as child welfare, juvenile justice, more intensive behavioral health, or hospital emergency departments. OHA plans to pilot MRSS in two service areas – Jackson county and Linn, Benton and Lincoln counties – in partnership with the Coordinated Care Organizations (CCOs) that serve those areas. The grant budget includes funding for a research study to demonstrate the effectiveness of the services provided and provide lessons learned for a potential statewide roll-out of the MRSS model.

OHA intends MRSS to fill a gap in the system of care. OHA recently implemented intensive in-home behavioral health treatment as a Medicaid level of care (funded by the 2019 Legislature) but these services are intended to be longer-term in nature and are for children and families with more intensive needs. CCOs and counties are currently required by contract to provide mobile response services but these services are primarily targeted to adults and as a result have not been effective in addressing children and youth experiencing crises. Finally, the Crisis and Transition Services (CATS) program is closely related to MRSS but is more limited in scope. CATS provide short-term, intensive outpatient mental health care to children and adolescents who have had a mental health crisis and presented to an emergency department or crisis center. Services are offered at emergency departments and crisis centers rather than in-home, and include education about keeping youth safe in the home, short-term crisis support, brief therapy, and connections to long-term mental health services, with teams typically working with youth and families for 30 to 45 days. MRSS is intended to reach upstream from the CATS population to prevent crises from escalating to an emergency department.



fewest moves possible, potentially preventing the need for more intensive Child Welfare involvement.

OHA is working to identify the source of the additional \$2 million match required for the fourth year of the grant. OHA anticipates it will be able to identify more in-kind contributions as the project continues as in-kind support has not been included from Linn, Benton, Lincoln and Jackson counties and their respective CCOs.

#### *Maintenance of Effort*

The SAMHSA grant does not include a formal maintenance of effort requirement. As part of its plan to build out a statewide system of care for children and families, OHA plans to continue the MRSS model by funding the services through the Medicaid program or private insurers at the piloted locations. Expansion of MRSS model to additional locations will depend on state General Fund or additional federal grants to support the staffing, training, call center and flexible funds that will be used in the pilot communities.

#### *Potential Effects on 2021-23 and Future Budgets*

OHA requested funding to establish MRSS services for children in its 2021-23 Agency Request Budget, with Package 406 requesting \$11.1 million General Fund and \$4.3 million Federal Funds to establish these services. There are several differences between the grant and the Package 406 request that reflect program planning done by OHA since their budget was submitted. First, the grant would stand up this new model in two communities instead of the five communities envisioned in the ARB proposal. Second, OHA will work with the Department of Consumer and Business Services to ensure that clients with private insurance would be able to have care reimbursed by their insurer while the policy package requested \$9.5 million General Fund to provide services for those with private insurance. Finally, within Package 406 is \$1.7 million General Fund and \$4.3 million Federal Funds for increased utilization of Medicaid services after accounting for projected savings. OHA believes there will not be a fiscal impact to the Medicaid program in 2021-23 due to revised savings projections and an earlier roll-out of the services under the grant.

Potential savings to other departments, such as reduced need for the services of the Department of Human Services' Child Welfare interventions or services at the Oregon Youth Authority, have also not been quantified as part of this grant.



Office of the Director

Kate Brown, Governor

Oregon  
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February 2, 2021

The Honorable Senator Betsy Johnson, Co-Chair  
The Honorable Senator Elizabeth Steiner Hayward, Co-Chair  
The Honorable Representative Dan Rayfield, Co-Chair  
Joint Committee on Ways and Means  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301-4048

Dear Co-Chairs:

### **Nature of the Request**

The Oregon Health Authority (OHA) is submitting this letter to request retroactive approval to apply for a System of Care Expansion and Sustainability grant opportunity from the Substance Abuse and Mental Health Services Administration (SAMHSA).

This grant would fund up to \$3 million per year for a maximum of four years. Recipients must provide matching funds from other non-federal sources, either directly or through donations from public or private entities. It is expected that non-federal match dollars will include contributions from multiple child-serving systems including education, child welfare, and juvenile justice.

OHA is not requesting funding from the Legislature to support this grant. The Health Services Division has identified matching resources existing budgets and from other agencies.

SAMHSA announced this grant opportunity on December 4, 2020. The application is due February 5, 2021. OHA submitted a 10-day notification letter to request permission to apply on January 19, 2021. That letter incorrectly stated that grant activities would be performed by existing staff. If awarded, the Health Systems Division would need two new positions—one full-time grant manager and a three-quarter time family partnership specialist.

### **Agency Action**

OHA leadership is in support of this grant request, which would allow for strengthening of the existing continuum of care, support the Governor's goal of

developing a more functional children's System of Care and create a model statewide for Mobile Response and Stabilization Services for families and youth and especially for those in foster care.

The Mobile Response and Stabilization Services to be funded by the grant will be available for all youth and families in Oregon—it will include initial phone crisis services and then in-person or telehealth assessment, crisis support and stabilization and case management. These services are currently billable to anyone eligible for Medicaid; however, these are currently designed for and focused on adults. It does not take into account:

- Developmental difference between children and adults requires different strategies.
- Behavioral health issues constituting the reason for a request for help can be very different.
- Role of the caregiver for a child, both from a legal and decision-making perspective.
- Crisis response is different from MRSS, as a situation does not have to be a crisis for a parent or youth to receive support.

The Mobile Response and Stabilization Services are a re-packaging and re-imagining of a crisis service, and any needed follow up, to ensure stabilization. The goal is to keep young people at home, in school and in their community. It is designed to be accessible to youth and family, providing early intervention with acceptance.

The Child and Family Behavioral Health Unit will collaborate with system partners, including the Oregon Department of Human Services, Oregon Youth Authority, Oregon Department of Education, and peer-run organizations to develop an infrastructure for System of Care at a state and local level and children's Mobile Response and Stabilization Services. Oregon will benefit from national consultation with the University of Maryland Center for Innovation and Implementation to develop a roadmap for a more functional, simple and responsive children's system. This will include service delivery and financing strategies based on national best practice guidelines that will emphasize shared responsibility and accountability for the needs of youth and families.

Mobile Response and Stabilization Services is an upstream crisis response and stabilization service that works to identify and meet the needs of youth and families before they require more intensive interventions, such as Emergency Department visits, residential care, Juvenile Justice, or Child Welfare involvement. Elsewhere in the United States, Mobile Response and Stabilization has been demonstrated to support youth and families, keeping them at home and in their communities and is seen by SAMHSA as a one of four pillars to successful System of Care. This work aligns with other children's continuum of care investments in Oregon, such as Wraparound and Intensive In-Home Behavioral Health Treatment.

OHA and its partners would initially implement this work in two separate jurisdictions, Linn, Benton and Lincoln Counties (via the Linn, Benton, Lincoln System of Care Executive Council, under the InterCommunity Health Network coordinated care organization) as one jurisdiction, and with Jackson County (via the Jackson System of Care Executive Council, under Jackson Care Connect and AllCare coordinated care organization) as the other jurisdiction. OHA selected these two jurisdictions based on existing infrastructure and interest in partnering on this effort. The aim would be to develop a stronger and more robust local System of Care infrastructure where all partners work to remove access to service barriers and problem solve issues.

The state agencies would offer input and oversight through the State Agency Standing Committee of the state's System of Care Advisory Council. Initial implementation would focus on developing infrastructure and system collaboration to ensure positive outcomes for youth and family and demonstrate the cost savings associated with early intervention.

This request is supported by the statewide Governor appointed System of Care Advisory Council and all child serving partner agencies: Oregon Department of Human Services, Child Welfare and Office of Developmental Disability Services; Oregon Youth Authority; and, Oregon Department of Education.

Recipients must provide matching funds from other non-federal sources, either directly or through donations from public or private entities:

- For the first, second, and third fiscal years of the grant: at least \$1 for each \$3 of federal funds; and,
- For the fourth fiscal year of the grant, at least \$1 for each \$1 of federal funds.



Matching resources may be in cash or in-kind, including facilities, equipment, or services and must be derived from non-federal sources (e.g., state or sub-state non-federal revenues, foundation grants). OHA must certify that matching funds are available and are non-federal funds.

OHA has identified the following resources to meet the matching requirement:

- Staffing supports from partner agencies including:
  - Oregon Health Authority – Health Services Division
  - Oregon Department and Human Services – Office of Child Welfare Programs, Office of Developmental Disability Services, ODHS Director’s Office
  - Oregon Department of Education
  - Oregon Youth Authority
- Local Jurisdiction Partnerships
  - Staffing hours for System of Care governance work for multiple cross-system agencies, providers and other organizations
  - System leads for each agency in both selected jurisdictions
  - In future years, the expansion of services will create increased staffing for match
- Technical Assistance Partnerships
  - Center for Innovation and Implementation at the University of Maryland – supporting the development of the statewide System of Care policy and long-range plan
- Funding contributions from State Agencies (updated amounts since the submission of the 10-day notification letter)
  - Oregon Health Authority, Health System Division - \$344,186 per year
  - Oregon Department of Human Services, Child Welfare - \$280,000 per year
  - State Agency and partnership in-kind contributions - \$375,814 per year

These joint efforts by state agencies and system partners combined will allow for the full \$3,000,000 federal match for this grant over the term of the grant.

For the fourth year the match will be \$3,000,000, It is anticipated that state agencies will identify more in-kind contributions as the project continues and as capacity is built for these services. In-kind support has not been included in Years 1 – 3 from

Linn, Benton, Lincoln and Jackson counties and their respective CCOs. This will be assessed and included for future years.

Compelling evidence from all other states implementing Mobile Response and Stabilization Services shows that the prevention of youth from entering higher levels of care, the decreased use of Emergency Departments and maintaining foster placements will create significant savings and system benefit. Some examples of savings (Sources: Child Health and Development Institute and NASMHPD, 2018):

Connecticut:

- Showed a 25 percent reduction in ED visits among children who used Mobile Response and Stabilization Services compared to children who didn't access those services
- Found the 2014 average cost of an inpatient stay for Medicaid-enrolled children was \$13,320 while the cost of Mobile Response and Stabilization Services was \$1,000, a net savings of \$12,320 per youth

Washington State:

- Seattle, WA, Mobile Response and Stabilization Services diverted 91-94 percent of hospital admissions and “estimated that it saved \$3.8 to \$7.5 million in hospital costs and \$2.8 million in out-of-home placement costs.”

Arizona:

- “Saved 8,800 hours of law enforcement time, the equivalent of four full-time officers.”

New Jersey:

- Mobile Response and Stabilization Services provided to children entering foster care to support them and try to reduce the trauma experienced at that moment. Data showed that 46/46 children who entered foster care and who had a mobile response were able to remain in their first placement.

### **Action Requested**

The Oregon Health Authority requests retroactive approval to apply for a System of Care Expansion and Sustainability grant opportunity from the Substance Abuse and Mental Health Services Administration (SAMHSA). If OHA is awarded the grant, the agency will work with the Department of Administrative Services and Legislative Fiscal Office on meeting its need for position authority and budget limitation for program implementation.

The Honorable Senator Betsy Johnson  
The Honorable Senator Elizabeth Steiner Hayward  
The Honorable Representative Dan Rayfield  
February 2, 2021  
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**Legislation Affected**

None.

Sincerely,

A handwritten signature in blue ink, appearing to read 'P. Allen', with a long horizontal stroke extending to the right.

Patrick M. Allen

EC: Patrick Heath, Department of Administrative Services  
George Naughton, Department of Administrative Services  
Tom MacDonald, Legislative Fiscal Office  
Ken Rocco, Legislative Fiscal Office