

Mental Health Regulatory Agency

	2019-21 Actual	2021-23 Legislatively Adopted	2021-23 Legislatively Approved *	2023-25 Current Service Level	2023-25 Governor's Budget
General Fund	--	300,000	300,000	--	--
Other Funds	3,920,298	5,052,276	5,186,427	5,401,035	5,695,318
Total Funds	3,920,298	5,352,276	5,486,427	5,401,035	5,695,318
Positions	13	14	14	13	15
FTE	13.00	14.00	14.00	13.00	15.00

* Includes Emergency Board and administrative actions through December 2022.

Program Description

The mission of the Mental Health Regulatory Agency (MHRA) is to protect the health and well-being of Oregon citizens by setting a strong, ethical standard of practice through the regulation of licensed professional counselors, marriage and family therapists, and individuals who practice psychology. MHRA is responsible for the administration, regulatory oversight, and centralized services of two licensing boards: the Board of Licensed Professional Counselors and Therapists and Board of Psychology (previously known as the Board of Psychologist Examiners). Both boards maintain independent authority over consumer protection and determine the qualifications of their respective regulated professions. The two boards jointly appoint the MHRA director and share resources; however, each Board maintains separate revenues and expenses through separate expenditure limitations under one budget appropriation bill to ensure that the licensing fees of one board are not used to subsidize the expenses of the other. The agency is supported by 100% Other Funds generated primarily from licensing applications and renewals, examination fees, and civil penalties. Other miscellaneous sources include the sale of mailing lists and copies of public records.

The Board of Licensed Professional Counselors and Therapists (BLPCT) oversees a voluntary licensing program for professional counselors and marriage and family therapists who want to use the title of “licensed professional counselor” or “licensed marriage and family therapist.” The Board also registers interns who complete work experience requirements for licensure. BLPCT processes approximately 7,500 renewals annually to licensees and registered associates. In 2021, the Board received and processed 1,338 applications for licensure. BLPCT’s program areas include: receiving and processing applications for licensure; reviewing and approving associate registration plans; approving candidates’ eligibility to take a qualifying national written exam as a prerequisite to licensure and preparing and mandating passage of an Oregon law and rule examination; processing annual renewals of licensees and registered associates; requiring licensees to complete 40 hours of continuing education every two years; and investigating, adjudicating, and/or disciplining licensees, applicants and anyone practicing without a license or permit. The eight-member board is appointed by the Governor and composed of three licensed professional counselors, two licensed marriage and family therapists, one faculty member from a related program, and two public members.

The Board of Psychology (BOP or the Board) determines the qualifications of applicants to practice psychology in Oregon and regulates the profession of psychology by investigating complaints of professional misconduct and safeguarding the public from the dangers of unqualified and improper practice of psychology. BOP processes approximately 2,250 renewals biennially to psychologists (doctorate level) and psychologist associates (master's level). The Board also issues about 190 limited permits to out-of-state psychologists annually. In 2021, the Board received and processed 195 applications for licensure. BOP's program areas include: receiving and processing applications for licensure; approving candidates' eligibility to take the national written examination and preparing and mandating passage of the jurisprudence exam, which is administered online; processing biennial licensure renewals and limited permits; requiring licensees to complete 40 hours of continuing education every two years; and investigating, adjudicating, and/or disciplining licensees, applicants and anyone practicing without a license or permit. The nine-member board is appointed by the Governor and is composed of six psychologists and three public members. HB 2328 (2017) renamed the Board of Psychologist Examiners to the Board of Psychology because the Board's mission is broader than examining psychologists.

CSL Summary

The agency's 2023-25 current service level (CSL) budget is \$5,401,035 Other Funds and includes 13 positions (13.00 FTE). Of the total amount, \$3,423,172 is budgeted for BLPCT and \$1,977,863 for BOP. The total CSL budget is a 1.6% decrease from the 2021-23 legislatively approved budget, which is due to savings expected from staff turnover, inflation adjustments for unemployment assessments, overtime, temporary employees, shift differentials, mass transit taxes, and phasing out one-time costs. Among the one-time costs to be phased out are a limited duration Investigator 2 position and a General Fund appropriation to conduct a study and develop a plan to increase licensee diversity. The CSL budget continues the current cost allocation model between BLPCT and BOP to fund operational expenses, which includes 63% for BLPCT and 37% for BOP. The CSL budget also includes additional Board member compensation expenditures pursuant to HB 2992 (2021), which increased the daily compensation rate to equal the per diem paid to members of the Legislative Assembly. At CSL, the Legislative Fiscal Office estimates that MHRA has a 2023-25 ending balance of \$2,442,332 Other Funds, which is equivalent to 10.8 months of operating reserves.

Policy Issues

Since MHRA was established by HB 2319 (2017), there has been significant work towards establishing uniform policies and procedures, finding efficiencies in recordkeeping and staffing, and streamlining workflow processes between both licensing boards. In the 2021-23 biennium, the boards formed a joint subcommittee in June 2021 to explore revisions to the Character and Fitness Policy, particularly whether any potential barriers to licensure could be eliminated while maintaining strong standards for consumer protection. The revised policy removed some procedural hurdles in the application process and delegated more authority to the executive director to review misdemeanor arrests, allowing applications to move forward quickly when there is no nexus to the practice of the profession. As part of this effort to improve processing times, BOP revised its administrative rule regarding application processing and removed the requirement that applicants must satisfy any conditions ordered by the Board, including payment of any civil penalty, before the Board would approve the application. This was another procedural hurdle that caused delays in application approval. The agency also reviewed and updated its background check

procedures to implement the revised character and fitness policy and to reflect changes that the Oregon State Police and Federal Bureau of Investigation made to their systems and procedures.

MHRA worked for several years to complete a project to replace the boards' outdated local databases with multifunctional online licensing systems. After delays that were primarily due to the COVID-19 pandemic, the new system launched for BLPCT in October 2020 and BOP in April 2021. Following the system launch, agency staff has worked to identify and resolve various system and data migration issues through the vendor via its online ticketing system. MHRA staff has also worked to educate and assist licensees and applicants with navigating the portals that are used for various online processes, including applications, license renewals, information updates, document submissions, and payments. The new online licensing system has created efficiencies and greater accuracy of records, with staff no longer having to enter data from pages of applications and renewal submissions. Licensees and applicants can now self-serve most licensing-related tasks 24 hours a day, without having to download and complete paper forms and mail checks for payment. Currently, MHRA is working with the vendor to develop and implement an online continuing education audit mechanism where licensees are randomly selected to log in and submit their course materials. This process will automatically send notices and reminders of deadlines and status changes, reducing staff busywork as part of the exhaustive audit process.

MHRA faced many disruptions during the COVID-19 pandemic in the 2019-21 and 2021-23 biennia. Beginning in 2019-21, staff and board members had to adjust to remote work, by conducting and participating in video conference meetings. MHRA's physical office was closed to the public from March 2020 until May 2022, when management worked around the parameters of reopening while promoting the safety and well-being of staff members. During that time, MHRA faced significant staff turnover and difficulties with long times to fill vacancies, coupled with a smaller pool of applicants. In support of the Governor's executive orders, both boards held multiple special meetings, and filed and implemented various temporary and permanent administrative rules to facilitate public safety and ensure the sustained delivery of mental health care services to Oregonians. For instance, BOP moved to an online-based jurisprudence examination, which allowed psychologists to become licensed expediently and safely during the pandemic and enabled practitioners to work more quickly in Oregon rather than facing the time and cost of traveling from out of state for an in-person exam.

Governor's Budget Summary

The Governor's budget totals \$5,695,318 Other Funds and includes 15 positions (15.00 FTE). This is a 3.8% increase from the 2021-23 legislatively approved budget and a 5.4% increase above the 2023-25 current service level. The budget includes 15 positions, reflecting an increase of one position (1.00 FTE) from the 2021-23 legislatively approved budget. The Governor's budget supports a fee decrease for both boards to account for a surplus in revenue and establishment of a new fee for BLPCT to coincide with a new license permit. The budget also supports an adjustment in the cost allocation model between BLPCT and BOP to fund operational expenses, including 70% for BLPCT and 30% for BOP. Additional details include:

- Policy Option Package 100: An increase in expenditure limitation of \$182,419 Other Funds to support the creation of an Administrative Specialist 2 position (1.00 FTE) to perform accounting and other program support functions, such as accounts payable and receivable, Board and committee meeting coordination, travel arrangements, and scheduling. This package does not directly add revenue to the agency, and no fee increase is needed to support this package.
- Policy Option Package 101: An increase in expenditure limitation of \$179,062 Other Funds to support the creation of a permanent Investigator 2 position (1.00 FTE) to support agency compliance functions. This position was created and hired in the 2021-23 biennium as a limited duration position. Due to an increasing number of investigation requests and complex cases, this package requests that the Investigator 2 position become permanent to support the completion of timely and thorough investigations. This package does not directly add revenue to the agency, and no fee increase is needed to support this package.
- Policy Option Package 102: An ongoing revenue increase of \$156,500 Other Funds, which would be collected only if BLPCT's legislative concept (LC #0350) passes in the 2023 legislative session. If approved, BLPCT would conduct rulemaking to establish a new limited permit fee of \$100 prior to the anticipated effective date of January 1, 2024. This package will help offset new expenditures associated with packages 100 and 101. The underlying LC provides out-of-state practitioners the option to practice in Oregon for a limited purpose and duration, rather than being required to go through the more costly and rigorous process of becoming fully licensed.

BLPCT and BOP play a significant role in Oregon's ability to recruit and retain highly qualified licensed mental health professionals, which has a profound impact on access to care for Oregonians in all care settings and new care models. The Governor's budget directs the boards to make progress with state and regional solutions that reduce the barriers to licensure, including the time it takes to obtain a license, and that increase the retention of a diverse mental health workforce. The budget supports direction to MHRA to reconsider licensing policies and procedures to support equity, as recommended in the diversity study, dated December 16, 2022. Additionally, the Governor has asked the Department of Administrative Services to engage a third party to help access and further develop solutions to address barriers to licensure in Oregon.

Other Significant Issues and Background

Due to legislative interest in gaining a better understanding of licensee demographics and increasing diversity of the mental health workforce, the Legislative Assembly, by means of a budget note in HB 5006 (2021), allocated \$300,000 General Fund to MHRA to engage a third-party consultant to study the demographics of licensees and devise a plan to increase licensee diversity. MHRA contracted with Keen Independent Research LLC (Keen), which began the study in June 2022 and submitted its final report on December 19, 2022.

Throughout the study, Keen analyzed policies, procedures, and demographic data; conducted a comparative analysis of other jurisdictions; and scanned academic literature and other research for relevant information. Keen also conducted in-depth interviews, focus groups, and a

virtual workshop to gather stakeholder feedback, receiving input from 1,793 individuals. Among the key findings presented to MHRA were that mental health professionals in Oregon are less diverse than they are nationally and compared to Oregon’s population; complaints are not always proportionate to the race, ethnicity, and gender demographics of mental health professionals; and practitioners reported distrust of the complaints and investigations process and outcomes. To address areas of concern noted in the final report, Keen recommended MHRA add safeguards around complaints, investigations, and disciplinary actions; reconsider licensing policies and procedures to support equity; audit and improve communications and service; identify and support changes in factors external to MHRA and the boards to foster equity; and make and sustain a visible, active commitment to diversity, equity, and inclusion.

Key Performance Measures

A copy of the BLPCT Annual Performance Progress Report can be found on the LFO website: [KPM - View Report \(oregonlegislature.gov\)](#)

A copy of the BOP Annual Performance Progress Report can be found on the LFO website: [KPM - View Report \(oregonlegislature.gov\)](#)