Memorandum

PREPARED FOR: Co-Chairs Lieber and Anderson
DATE: September 18, 2025
BY: LPRO Staff
RE: Draft Recommendation Proposal for the Task Force on Regional Behavioral Health Accountability

LPRO
LEGISLATIVE POLICY AND RESEARCH OFFICE

This memorandum provides a proposal for draft recommendations for the **Joint Task Force on Regional Behavioral Health Accountability** ("Task Force"). This memorandum was prepared by staff from the Legislative Policy and Research Office (LPRO) at the request of the Co-Chairs and builds upon the work of the Task Force and discussions between the Co-Chairs and Task Force members. Further context for the draft recommendations proposed in this document is included within the memorandum.

Background

This section offers brief background information on the Task Force, including enabling legislation, initial member-identified goals and opportunities, development of the Task Force's Problem Statement, and relevant events that have impacted the work of the Task Force and direction of potential recommendations.

House Bill 4002 (2024)

House Bill 4002, enacted during the 2024 short session, established the Joint Task Force on Regional Behavioral Accountability. The primary focus of HB 4002 was the reintroduction of potential criminal penalties for the possession of controlled substances, decriminalized via Ballot Measure 110 (the "Drug Addiction Treatment and Recovery Act") in November 2020. HB 4002 created pathways for individuals cited for drug possession to avoid criminal penalties through the successful completion of diversion/deflection, whereby a person cited for drug possession may voluntarily seek treatment for substance use in lieu of arrest/citation. Recognizing the additional strain that these new treatment pathways could put on the state's behavioral health system, provisions aimed at mitigating these impacts were included in HB 4002, including establishment of the Joint Task Force on Regional Behavioral Health Accountability, to develop recommendations to improve governance and evidence-based funding decisions.

The Task Force was directed to develop recommendations to

a) improve collaboration and accountability across federal, state and local behavioral health and substance use disorder treatment programs and funding;
b) ensure equitable outcomes in publicly supported treatment settings across Oregon communities;
c) provide greater cost efficiencies in the continuum of care of Oregon's behavioral health system; and

d) establish broad access to methadone and other opioid use disorder medications through mobile devices, telehealth, and pharmacy-based services to measurably increase the engagement statewide of individuals with opioid use disorder in opioid use disorder treatment.

As required in HB 4002, the Task Force previously submitted a preliminary report to the Interim Committees related on September 12, 2025 and will submit its final recommendations to the Legislative Assembly related to health by December 15, 2025.

Task Force Member Goals and Priorities

Findings from a November 2024 Needs Assessment survey of Task Force members identified three initial overarching priority areas for developing Task Force recommendations, these high-level themes are expanded upon in the Needs Assessment summary and included

- achieving a statewide behavioral health system,
- aligning governance and funding structures, and
- increasing system transparency, particularly regarding performance and funding investment.

Task Force members identified both process and outcome-specific goals for their work. Outcome goals included

- concrete recommendations with measurable outcomes;
- measurable improvements across Oregon's public behavioral health system with priorities for the client/patient, organizational, provider, payor, and governance levels; and
- an overarching vision for Oregon's public behavioral health system.

Members identified several process goals to consider when approaching their work

- defining the problem and operationalizing key terms,
- agreeing to goals that are realistic given the timeline,
- understanding the current landscape of behavioral health care in Oregon, and
- balancing information gathering with engaging in meaningful discussion.

Initial member priorities and goals were discussed by the Task Force and used to inform the development of a problem statement to focus future meetings and conversations around developing the final report and recommendations to the legislature. A reoccurring point raised by Task Force members, both in the Needs Assessment survey and during discussion, was the need for the Task Force to avoid duplication of other related and ongoing efforts. Task Force members highlighted an interest in considering other relevant legislation enacted during the 2025 session, as well as the work of other non-legislative workgroups.

Task Force Problem Statement

At the January 6, 2025 meeting, Task Force members affirmed the following statement of need to guide their work:

> Funding decisions in Oregon's behavioral health system are made based on a variety of factors specific to the funding source and without consistent collaboration across these entities. While there is care coordination at the ground level, at the systems level there is a need to improve transparency and collaboration to support efficient funding across the system.

This problem statement was developed by the Task Force Co-Chairs and emphasized improving collaboration and accountability as a point of focus for developing recommendations.

Acknowledging discussions to date, the timeline, and the recent passage of H.R. 1 at the federal level, the Task Force returned to meeting after the 2025 Session and at the September 8, 2025 meeting updated the Problem Statement to include a focus on specific populations in the development of potential recommendations:

> Funding decisions in Oregon's behavioral health system are made based on a variety of factors specific to the funding source and without consistent collaboration across these entities. While there is care coordination at the ground level, at the systems level there is a need to improve transparency and collaboration to support efficient funding across the system, *particularly in coordinating for individuals with severe mental illness or subject to court-ordered treatment.*

The Task Force Problem Statement has been used to orient meeting discussions and guide the development of potential draft recommendations.

Impacting Events

Several key events have occurred since the inception of the Task Force that have implications for the development of potential recommendations.

H.R. 1

On July 4, 2025, President Trump signed H.R. 1 (the “One Big Beautiful Bill Act”) into law. On August 11, the Oregon Department of Administrative Services (DAS) released a report outlining the preliminary estimated impacts of H.R. 1 on state agencies and programs, including impacts to the Oregon Health Authority and Department of Human Services. In response to emerging information regarding implications of H.R. 1 on Oregon’s behavioral health system, the Task Force has been considering how the potential impacts of H.R.1 should impact final recommendations.

Addressing the impacts of H.R. 1 on the Oregon Health Plan (OHP) and other programs is likely to be a priority for OHA and other state agencies for the foreseeable future. A goal of the Task Force is developing recommendations that are responsive to agency capacity limitations and uncertainty within the state's behavioral health system during and after H.R. 1 implementation.

Updated County Financial Assistance Agreements

At the July 7, 2025 meeting the Task Force received an update from OHA about revisions to the County Financial Assistance Agreement (CFAA) process. The CFAA is a grant agreement between OHA and a local mental health authority that provides financial assistance to operate or contract for the operation of a community mental health program (CMHP). CFAAs are used to pay for non-Medicaid eligible services and supports for certain individuals and the funding is expected to ensure that statutorily-required services; such as mobile crisis, involuntary, and forensic services; are provided (ORS 430.630).

OHA has been working with CMHP directors to work on revisions to the CFAA designed to give CMHPs more flexibility to use funds in ways that best meet the needs of the county. The updated CFAA will require counties to plan around four different priority populations, with forensic and civilly committed individuals comprising the first priority population. CFAA changes are also designed to be more outcomes driven and the rollout is being done in coordination with new consolidated reporting requirements through the Resilience in Outcomes Analysis and Data Submission (ROADS) system. While CFAA revisions were initially intended to be in place by the summer of 2025, that implementation has been delayed until January of 2026. Given the emphasis of the Task Force in not duplicating other efforts to improve funding accountability across Oregon's behavioral health system, changes to the CFAA may be reflected in Task Force recommendations.

Task Force Draft Recommendations

The following draft recommendations are presented for Task Force discussion and potential consideration. They have been developed in conversation with the Task Force Co-Chairs through review of past Task Force meeting content, including member discussion and presentations from staff and other subject matter experts.

Aligning Current Work

During the July 7, 2025 meeting Task Force members heard a presentation from LPRO staff on the impacts of policies enacted during the 2025 Legislative Session, including bills passed with direct implications for the work of the Task Force. The draft

recommendations include reference to several of these bills: House Bill 2208, House Bill 2059, and House Bill 2015.

Individuals diagnosed with a severe mental illness (SMI) or who have a court order for treatment are among the most challenging and costly for the state's behavioral health system, resulting in a high level of need for coordination of behavioral health services and supports. In 2025, the Legislative Assembly passed House Bill 2208 which updated coordinated care organization (CCO) community health improvement plan (CHIP) requirements to explicitly require CCOs to collaborate with both CMHPs and local planning committees. The measure additionally requires CHIPs to include any behavioral health plans required by law or OHA.

House Bill 2059, creating the Residential Behavioral Health Capacity Program in OHA to provide funding to behavioral health programs to increase residential behavioral health capacity and appropriated $65 million. While these two efforts both aim to identify and address local behavioral health needs, they are not expressly linked. Therefore, recommending that this work be coordinated could help ensure that local plans and priorities inform funding decisions.

House Bill 2015 directs OHA to investigate and consider certain flexibilities for administering residential treatment services, including alternate administration and reimbursement methodologies, options for capacity payments to facilities, and filling capacity of newly licensed facilities.

Potential Recommendations Related to 2025 Legislation

The following draft recommendations are proposed:

- OHA rulemaking and decision-making around the Residential Behavioral Health Capacity Program should incorporate relevant information from CHIPs.
- CHIP information should also be used to inform other grant appropriations made by OHA related to funding conduits that are not included in the CCO global budget or CFAA.
- Expanding on the guidelines required by HB 2059 to more expressly account for the SMI and court-ordered populations (i.e. are the guidelines requirements specific enough to achieve the desired results).
- Evaluations and recommendations required by HB 2015 should also evaluate how options identified would impact the regional equity of service availability.

Additional Recommendations

Additional potential recommendations that have been elevated by Task Force members are included below. Potential draft recommendations have been raised with varied levels of detail and may require additional refinement before being presented to the Task Force for discussion.

- Direct OHA to create a youth-specific managed care organization (MCO), either statewide or local pilot
- Regular reporting on updated CFAA implementation during agreements' initial six-year term
- Require more robust reporting on the use of behavioral health conduit funds throughout the behavioral health system
- Direct OHA to consider developing performance metrics that align with CHIP behavioral health plan requirements, ROADS reporting requirements for county mental health programs, and are designed to track coordination of services for members with an SMI diagnosis or with history of court-ordered behavioral health treatment.