

ANALYSIS

Oregon Health Authority Behavioral Health Investments

Analyst: Matt Stayner

Request: Acknowledge the receipt of a report on investments made to increase behavioral health facility capacity in Oregon.

Analysis: The Oregon Health Authority provided its written report in response to the following budget note included in the budget report for SB 5525 (2023):

The Oregon Health Authority (OHA) shall submit a report on investments made to increase behavioral health facility capacity in Oregon during the 2021-23 and 2023-25 biennia, including the number and types of beds provided or anticipated, how investments are balanced between supporting the new capacity on an on-going basis and building additional beds, and data demonstrating how the medical and mental health system outcomes are impacted by the investments. No later than February 1, 2025, OHA shall report its findings to the subcommittee of the Joint Committee on Ways and Means with authority over human services agencies' budgets.

The report discusses five pieces of legislation passed between the 2021 and 2024 sessions that provided a total of \$313 million to the agency for various behavioral health facility investments. Tabular displays illustrating the bed, unit, or chair capacity increases by facility or housing type are provided for each measure, noting that many projects are underway, so capacity numbers are not final. As of the date of the report, a total of 1,354 beds have been added in Residential Treatment Homes, Residential Treatment Facilities (RTFs), Secure RTFs, Substance Use Disorder RTFs, transitional and recovery housing, among other types of facilities. Funding also supported an additional 355 units of supportive housing and 34 crisis and day services chairs.

Although the report summarizes the specific capacity increases in various types of facilities and provides a link to the agency's behavioral health investment dashboard, it does not clearly define what the added capacity means in relationship to the behavioral health capacity needs. The number of beds, units, or chairs alone does not provide information about the access to, or durability of, the expanded capacity. With the exception of recovery housing capacity created through funding approved in SB 1530 (2024), the investments are not delineated between capital expansion and operational or programmatic support. Additional information on the geographic distribution of the investments and the possible impacts to the behavioral health system in various regions of the state would also be helpful to evaluate the investments. No detail is provided in the report regarding individual projects or organizations receiving funding,

so it is unclear what the distribution of funding is between various organizations and facilities and if those were public or privately operated.

Recommendation: The Legislative Fiscal Office recommends acknowledging receipt of the report.

Oregon Health Authority Heath

Request: Report on behavioral health facility investments by the Oregon Health Authority (OHA) in response to a budget note to Senate Bill 5525 (2023).

Recommendation: Acknowledge receipt of the report.

Discussion: OHA is reporting on behavioral health facility investments made in recent biennia as directed by a budget note to Senate Bill 5525 (2023). The budget note directs:

The Oregon Health Authority (OHA) shall submit a report on investments made to increase behavioral health facility capacity in Oregon during the 2021-23 and 2023-25 biennia, including the number and types of beds provided or anticipated, how investments are balanced between supporting the new capacity on an on-going basis and building additional beds, and data demonstrating how the medical and mental health system outcomes are impacted by the investments. No later than February 1, 2025, OHA shall report its findings to the subcommittee of the Joint Committee on Ways and Means with authority over human services agencies' budgets.

OHA submitted their report timely on January 30, 2025. The report details OHA's efforts to expand behavioral health facility and housing capacity during the 2021-23 and 2023-25 biennia through various funding bills. Below is a table showing the key legislative investments and their impacts:

Bill	Year	Amount (in millions)	Beds	Housing Units	Chairs
HB 5024	2021	\$65.0 GF, \$65.0 OF	517	102	21
HB 5202	2022	\$100.0 GF	422	253	8
SB 5525	2023	\$15.0 GF	73		
HB 5030	2023	\$50.0 OF	178		5
SB 1530	2024	\$18.0 GF	164		
Totals			1,354	355	30

As included in OHA's report, "beds" includes beds in residential treatment homes, residential treatment facilities, and secure residential treatment facilities, among others, while "chairs" refers to space in facilities that address short-term crisis needs.

The report does not address medical or behavioral health system outcomes, nor does it discuss how investments are balanced between supporting new capacity on an ongoing basis versus building new beds. Most projects are still under development and OHA believes it is too soon to say what the impact is in terms of outcomes or the cost of operations. Decisions on space utilization in the final projects may also impact the number of beds created for projects still under development.

OHA's approach to funding behavioral health beds is informed by the June 2024 OHA Behavioral Health Residential+ Facility Study, which identified gaps in behavioral health care in different regions of the state. The study found a need for 8,103 beds statewide for all types compared to projected capacity of 4,389 beds, reflecting a shortage (after the completion of pending projects) of 3,714 beds at a cost of \$835.4 million in capital investment. These shortages are most acute in capacity within substance use disorder residential facilities, withdrawal management facilities, and inpatient psychiatric facilities. The study estimates a range of cost per bed between \$130,000 and \$276,000 depending on facility type and location; this range is consistent with the cost per bed or unit for projects OHA has funded this far.

The 2025-27 Governor's Budget for OHA includes \$100.0 million General Fund for further facility investments and \$24.3 million General Fund for workforce development efforts that will help ensure an adequate workforce exists for these facilities. Sustaining these investments will help Oregon build a behavioral health system that can address the service needs of its population in the communities in which they live.

Tina Kotek, Governor

January 29, 2025

The Honorable Kate Lieber, Co-Chair
The Honorable Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
State Capitol
Salem, OR 97301

SUBJECT: Behavioral Health Residential Facility Investment Updates

Dear Co-Chairs and Committee Members:

In response to a budget note in HB 5525 (2023), please find attached a report on Behavioral Health Residential Facility Investments. We respectfully request to present the report that can also be found on OHA's website [here](#).

Sincerely,



Sejal Hathi, MD MBA
Director

EC: The Honorable Winsvey Campos
The Honorable Andrea Valderrama



Oregon Health Authority Behavioral Health Residential Facility Investment Update

Report to the Oregon State Legislature in satisfaction of SB 5525 (2023 Regular Session)

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Housing/Facility Types

RTH	Residential Treatment Home <i>(up to 5 beds)</i>
RTF	Residential Treatment Facility <i>(up to 16 beds)</i>
SRTF	Secure Residential Treatment Facility <i>(up to 16 beds)</i>
SUD RTF	Substance Use Disorder Residential Treatment Facility
Youth PRTF	Youth Psychiatric Residential Treatment Facility

Executive Summary:

The budget note in Senate Bill 5525 (2023) directed Oregon Health Authority to conduct an analysis of investments made to increase behavioral health facility and housing capacity in Oregon during the 2021-23 and 2023-25 biennia. The following explains the intent and source of each funding stream, the various facilities and housing types invested in, and the total number and of beds and units created with these funds. Finally, the report outlines how investments are balanced and the methodology used to determine ongoing funding recommendations that best support the capacity needs of communities statewide.

Introduction:

This Behavioral Health Facility Investments report outlines the behavioral health investments made by Oregon Health Authority to enhance the availability and capacity of behavioral health capacity across Oregon. It aims to provide an accessible and transparent overview of how state and federal funds are being utilized to address gaps in mental health and substance use disorder treatment services.

Below is a summary of each of the Behavioral Health Investments (BHI) team's funding streams for the 2021-2023 & 2023-2025 biennia and the number of beds and units created for each of the facility and housing types invested in. Tribal set-aside amounts are noted for investments House Bill 5024 (2021), House Bill 5030 (2023), and Senate Bill 5525 (2023). The details of the Tribal projects are not included in this report as it is Tribally owned data. Lastly, the report explains the BHI team's funding approach and efforts to support the identified goals for expansion of behavioral health housing and facilities across the state.

For awareness, most of these projects are still under development and capacity is subject to change until projects are complete. Project development is monitored through on-going communication, invoicing, and quarterly reporting to the BHI team contract administrators.

Investments Overview:

House Bill 5024 (HB 5024):

HB 5024 (2021) appropriated \$130 million (\$65 million from General Fund & \$65 million from American Rescue Plan Act [ARPA]) including a \$20 million Tribal set-aside for the 2021-2023 biennia. This funding is being utilized to expand community-based licensed residential facilities and homes and supportive housing for individuals with Serious and Persistent Mental Illness (SPMI) requiring a higher level of care. Through an initial Request for Proposals (RFP 5340) and a subsequent Request for Grant Applications

(RFGA 5024). HB 5024 funded a total of 25 organizations with 35 total projects throughout the state increasing capacity by 191 beds and 93 units.

In addition to the RFGA and RFP project awards, 9 direct awards from HB 5024 were given to various organizations totaling \$23.7 million from General Fund dollars to support increased capacity of behavioral health facilities and housing. These projects increased capacity by 156 beds, 5 units, and 13 chairs.

Due to HB 5024 project withdrawals, \$34.2 million of the HB 5024 ARPA Funds were reallocated to 12 organizations to support increased capacity of behavioral health facilities and housing. These investments resulted in the creation of 114 beds, 4 units, and 8 chairs.

The Intensive Care Services team was given \$9.4 million from \$65 million HB 5024 General Fund dollars in 2021-2023 biennia which has been carried over to the 2023-2025 biennia. Thus far, 5 organizations have been identified for funding a total of 7 projects prioritizing the Aid & Assist and Civil Commitment populations, increasing capacity by 56 beds.

Below is a table displaying the total numbers of beds per facility/housing type for all projects from HB 5024 funding:

Facility / Housing Type	HB 5024 RFP 5340 & RFGA 5024 Capacity	HB 5024 Direct Awards Capacity	HB 5024 ARPA Awards Capacity	HB 5024 ICS Awards Capacity
RTH	65 Beds			10 Beds
RTF	110 Beds	62 Beds		10 Beds
SRTF	16 Beds	14 Beds	16 Beds	16 Beds
SUD RTF		74 Beds	70 Beds	
Withdrawal Management			10 Beds	
Supportive Housing	93 Units	5 Units	4 Units	
Recovery Housing			6 Beds	
Crisis Center		6 Beds & 5 Chairs	8 Chairs	
Youth PRTF			12 Beds	
Day Services (less than 24 hrs.)		8 Chairs		
Re-Entry Program				20 Beds

House Bill 5202 (HB 5202):

HB 5202 (2021) appropriated \$100 million (General Fund) for the 2021-2023 biennia. These funds were allocated to Community Mental Health Programs (CMHPs) to increase behavioral health housing capacity and treatment options throughout the state. Thirty CMHPs were awarded funding resulting in a total of 70 projects. The investments increased capacity by 422 beds, 253 units, and 8 crisis chairs. The following table displays the increase in capacity created through HB 5202 by facility / housing type:

Facility / Housing Type	Capacity
RTH	40 Beds
RTF	28 Beds
SRTF	15 Beds
Crisis Center	8 Chairs
SUD RTF	48 Beds
Supportive Housing	253 Units
Transitional Housing	260 Beds
Recovery Housing	6 Beds
AFH	25 Beds

Senate Bill 5525 (SB 5525):

SB 5525 (2023) appropriated a total of \$15 million (General Fund) including a \$1.5 million Tribal set-aside for the 2021-2023 biennia. This funding stream was appropriated to increase the availability of substance use disorder (SUD) facilities for both children and adults. SB 5525 resulted in 6 projects awarded for funding, increasing capacity by 73 beds as displayed below:

Facility / Housing Type	Capacity
RTF	40 Beds
SUD RTF	25 Beds
Withdrawal Management	8 Beds

House Bill 5030 (HB 5030):

HB 5030 (2023) appropriated \$50 million (Lottery Bonds) including a \$5M Tribal set-aside for the 2023-2025 biennia. SB 5030 funding was identified to increase community acute psychiatric facility capacity, and/or prevent the admission of acute psychiatric care and increase access to individuals discharging from acute psychiatric facilities. A total of 9 projects have been identified for funding, increasing estimated capacity by 178 beds, and 5 chairs:

Facility/ Housing Type	Capacity
RTF	12 Beds
SRTF	32 Beds
SUD RTF	91 Beds
Withdrawal Management	24 Beds
Transitional Housing	19 Beds
Crisis Center	5 Chairs
Youth PRTF	TBD*

**This project plan is in development and the bed count has not yet been confirmed.*

Senate Bill 1530 (SB 1530):

SB 1530 (2024) appropriated \$18 million (General Fund) for the 2023-2025 biennia. This bill granted funding to specific organizations to develop expanded recovery housing capacity throughout the state. SB 1530 resulted in 27 Awards for 12 organizations. Of these, 22 awards increased capacity through capital development and 5 awards support ongoing operational costs, increasing capacity by 164 Beds:

Facility / Housing Type	Capacity
Recovery Housing	164 Beds

Conclusion:

The behavioral health facility investments are balanced to support the development of new capacity by closely considering existing facilities and beds available in communities throughout Oregon. The Behavioral Health Investments team and executive leadership rely heavily on the results of the [OHA Behavioral Health Residential+ Facility Study](#) to guide future funding recommendations. The report published in June 2024 identified gaps in care for each Trauma System Area. These findings resulted in the development of the Residential+ Facility Study 5-year goals for increased capacity. The Oregon Health Authority's Behavioral Health Division has effectively made progress on these goals by examining current and pending capacity to determine funding recommendations that best support communities and meet identified needs.

Up-to-date information regarding licensed behavioral health facility investments is available through the BHI investment dashboard found [here](#).