

HB 2059 -2 STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

Prepared By: Alexandra Kihn-Stang, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/25, 4/8

WHAT THE MEASURE DOES:

The measure directs the Oregon Health Authority (OHA) to establish a unit dedicated to developing facilities that provide adult behavioral health services across state trauma system regions, specifies types of facilities to be developed, and directs OHA to submit an annual report to the Legislative Assembly beginning in 2026.

Detailed Summary

- Directs OHA to establish a unit dedicated to developing facilities that provide adult behavioral health services across state trauma system regions. Specifies that the unit shall develop plans and provide funding for construction and staffing of new adult behavioral health facilities. Specifies what should be included in plan development, including entities for collaboration.
- Applies to inpatient psychiatric facilities, residential treatment facilities, secure residential treatment facilities, residential treatment homes, adult foster homes, residential substance use disorder treatment programs, and crisis facilities.
- Directs OHA to submit an annual report to the interim committees of the Legislative Assembly related to health by September 15 beginning in 2026.
- Sunsets on January 2, 2031.

ISSUES DISCUSSED:

- Increasing physical capacity for levels of care higher than outpatient services, specifically residential treatment services, with facilities that enable the state to bill Medicaid for services rather than relying on the General Fund
- Limited physical capacity contributes to lengthy waits to receive appropriate services, unnecessary boarding, and increases the potential to lose patients
- Geographic equity includes having adequate availability of services statewide so that individuals can receive treatment within or near their community
- The potential for the state to be held in contempt of the federal order by not creating adequate capacity

EFFECT OF AMENDMENT:

-2 Replaces the measure.

Detailed Summary

- Establishes the Residential Behavioral Health Capacity Program within OHA for the purpose of funding behavioral health programs determined by OHA to increase statewide capacity of residential behavioral health services.
- Directs OHA to develop guidelines for distributing funding that incorporate regional partner and practitioner input. Specifies that guidelines shall include, but are not limited to: the impact of a program on the statewide residential behavioral health capacity as identified in the Residential Plus study, the ability of a program to quickly use funding, the bed-to-cost ratio of a program while prioritizing shovel-ready projects, statewide geographic equity, program impact on individuals who have been committed to OHA or the Oregon State Hospital, and local community input.

HB 2059 -2 STAFF MEASURE SUMMARY

- Directs OHA to distribute funding in a manner that follows developed guidelines and is determined likely to have the greatest immediate impact on community needs for increased capacity of withdrawal management, residential treatment, and psychiatric inpatient facilities.
- Appropriates \$90,000,000 from the General Fund for the 2025-2027 biennium to carry out measure provisions.
- Sunsets on January 2, 2027.
- Declares an emergency, takes effect July 1, 2025.

Fiscal impact: Fiscal impact issued

Revenue impact: No revenue impact

BACKGROUND:

In June 2024 a [report](#) was published on behalf of the Oregon Health Authority (OHA) offering a point-in-time assessment of Oregon's behavioral health facilities. The Residential Plus study included an assessment of the availability and need for inpatient psychiatric, residential mental health, substance use disorder, and crisis facilities. The report also utilized Oregon's trauma system areas to contextualize statewide facilities and need. There are seven trauma system areas covering Portland and the north coast, the mid-Willamette valley and north central coast, the south Willamette valley and the south coast, the Columbia Gorge, central Oregon, and eastern Oregon. The Residential Plus study included recommendations to address workforce issues to increase capacity and increase the number of residential treatment and crisis center facilities available.

House Bill 2059 directs OHA to establish a unit dedicated to developing facilities that provide adult behavioral health services across state trauma system regions, specifies types of facilities to be developed, and directs OHA to submit an annual report to the Legislative Assembly beginning in 2026.