



House Committee on Behavioral Health and Health Care
RE: Support for House Bill 2059-2

March 25, 2025

Chair Nosse, Vice Chairs Javadi and Nelson, and members of the House Committee on Behavioral Health and Health Care,

Who We are and Our Impact

Located in Portland, Oregon, Central City Concern (CCC) provides a comprehensive continuum of affordable housing options integrated with direct social services, including health care, recovery, and employment. In 2024, CCC served 15,991 people experiencing or at risk of homelessness by providing affordable and supportive housing, integrated health services, addiction recovery, and employment assistance.

Why Investment in Behavioral Health Infrastructure is Critical

CCC strongly supports the investments that will be created by House Bill 2059 and the –2 amendment. Transparently, we have a project which we believe should qualify for funding under this bill, but we also support investment in a robust list of behavioral health capital investments recommended by a group of providers who are members of Health Share of Oregon and located in Area Trauma Advisory Board 1 (ATAB 1). We are still in the construction phases of the 16 x Burnside Recovery Center which will provide 74 culturally responsive, trauma-informed residential treatment beds designed for individuals with co-occurring substance use disorders, psychiatric conditions, and complex medical needs in a drug- and alcohol-free environment. **Approximately 50% of clients assessed at CCC's Hooper Detoxification Stabilization Center are recommended for residential care, yet fewer than 20% can be successfully placed into residential treatment upon discharge.** Many (about 70%) go to supportive housing with outpatient treatment, which is a much lower level of substance use treatment than their assessed level of care where less than 50% complete their course of treatment and services. Those who do not have housing often return to the streets and without a clinically appropriate level of treatment they often return to substance use, at great cost to their health and to our system. The unmet need for residential treatment beds for substance use or psychiatric services in Multnomah County remains significant, estimated between 500 and 550 beds.

Consequences of Capacity Shortfalls and a Strained System

The OHA Behavioral Health Residential+ Facility Study highlights significant deficits in residential treatment, withdrawal management, and psychiatric care facilities in ATAB 1. The lack of adequate capacity, especially for those with high acuity, has intensified pressures on hospitals and emergency departments, prolonging hospital stays, exacerbating homelessness, and increasing interactions with the justice system for individuals experiencing behavioral health



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crises. The resulting human suffering and financial strain are untenable. A recent study conducted by Health Share of Oregon in collaboration with CCC highlighted that approximately **10% of HSO members in the Portland Metro region accounted for a staggering 40% of total health care spending**. Alarming, this spending does not reflect meaningful improvement in health outcomes for these individuals, but rather the cost of addressing the severe health complications from inadequately treated mental illness and substance use disorders. Without a comprehensive continuum of care offering appropriate treatment levels, we either overspend on care levels that are too high, or discharge individuals to inadequate care causing a cycle of repeat visits at high cost to the system with poorer outcomes.

Concerns Regarding Delays in Implementation

While we support the need for regional planning addressed by creating a dedicated unit to evaluate investments, **we have concerns that this will result in a delay in funding distribution that our state simply cannot afford to bear**. Additionally, the need has been identified by multiple studies, and significant evaluation of shovel ready projects has been rated and recommended by experts in the field with deep understanding of the challenges and pitfalls of capital development.

Braiding funding sources together can create intense financial pressures on a project. In fact, those pressures are part of why we have asked to be included in the recommendations mentioned for ATAB 1 even though we have already broken ground on 16th x Burnside Recovery Center. **Waiting for a state agency to staff a new evaluation unit and conduct additional assessments would introduce further operational and financial hurdles to projects critical for improving outcomes for unsheltered and ill Oregonians and savings across the entire health system. Simply put, the regional continuum of care cannot, and should not wait.**

Invest in Immediate Solutions

By funding shovel-ready projects that fill gaps identified in the Behavioral Health Residential+ Facility Study, this bill represents a pivotal opportunity to build a resilient, statewide behavioral health infrastructure. **We urge the committee to follow recommendations provided by local community experts and researchers, and to act with the urgency this behavioral health crisis demands.**

We strongly support the Committee's passage of House Bill 2059, requesting urgency in delivery of these funds to critical projects. Your leadership in advancing this legislation will improve countless lives and significantly enhance Oregon's behavioral health landscape.

Sincerely,

Dr. Andrew Mendenhall, MD, DABFM, DABPM, FASAM



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President and CEO, Central City Concern