



Friday, April 11, 2025

Dear Co-Chair Kropf, Co-Chair Prozanski, and Members of the Joint Committee on Addiction and Community Safety Response,

Thank you for the opportunity to provide testimony in support of Senate Bill 610 and the amendment described by Senator Campos at the April 9 Joint Committee on Addiction and Community Safety Response Hearing.

The state is experiencing significant M110 revenue decline, which already adds instability to behavioral and public health services provided across Oregon. This reality makes it even more important to be equitable, transparent and collaborative to provide stable and consistent support to those in need in our communities. We believe that making the Oversight and Accountability Council *advisory* to the Oregon Health Authority (OHA) and putting the responsibility for funding formula development, granting, and appeals in OHA's hands will support these outcomes.

Unfortunately, the current process has proven anything but stable and consistent. In the 2025-29 funding cycle, a flawed funding formula, in combination with hasty changes made without transparency or public comment or community engagement with counties, as well as an inconsistent distribution process, resulted in significant funding reductions with little consistency or rationale.

Under this funding formula, eighteen counties lost an average of 26% of their BHRN funding, with some losses as high as 52%.

Washington County HHS's Behavioral Health and Public Health divisions were both grant recipients in the previous funding cycle. Both divisions applied jointly in the 2025-2029 cycle and had the second highest score of all applicants. Despite the stated goal to prioritize funding past grant recipients, HHS was initially denied *any* funding, based on incorrect information presented by OAC members during the review panel discussion – including the incorrect assumption that HHS could bill for their services.

HHS partners in deflection services were also impacted by the decisions of the reviewers. Lifeworks NW's request was rejected because of their work with us on deflection. The application of 4D Recovery, another deflection program partner, was not rejected, but the OAC indicated that they would be issuing a directive to them that BHRN funds given to them could not be used for deflection.

Grant award decision-making needs to be careful, well-informed, equitable, and consistent with established goals in order to thoughtfully manage distribution of these much-needed funds and create stability.

OHA had to step in to approve appeals, which were sent back to OAC for funding consideration. However, due to a review committee oversight, only the Behavioral Health division's portion of the joint application was considered and approved—to serve as the county's BHRN coordinator—

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leaving HHS's Public Health division's harm reduction work un-funded and facing discontinuation. HHS made OHA aware of this following our receipt of the award letter. OHA acknowledged the oversight and was able include Public Health in its final funding decision.

Again, OHA had to step in to ensure stability.

Based on HHS's experience – which was not unique – we believe shifting the priority setting and funding distribution decision-making and appeals authority to OHA makes sense; its mission is to ensure that all people and communities in Oregon have access to behavioral health care, and as an agency it must adhere to administrative processes and rulemaking in the grant application process and appeals.

The revisions to the makeup of the OAC also includes improvements that should better position it as an advisory body to provide more thoughtful, data-driven, collaborative recommendations to OHA so the agency can make equitable decisions in the face of reduced M110 revenues.

To ensure equitable distribution of funding across Oregon counties, we recommend that the amendment direct the OHA to develop a new funding formula for the Measure 110 funds for the 2029 grant cycle that:

- Takes into account population metrics.
- Looks “upstream”. This would ensure that counties successfully leveraging funding – thereby decreasing downstream indicators like arrests, deaths and hospitalization – would not be at risk for losing funding in future cycles and disrupting the very solutions that allowed them to achieve success.
- Includes methodology to minimize significant funding swings that would dismantle the sustainability of existing services.

In addition, we recommend that the amendment address a weakness in the appeal process. When establishing a process to appeal the denial of a grant application, in full or in part, this should include providing an explanation detailing the rationale for denial.

With these revisions to the amendment, we believe the changes proposed in the amendment concept for SB 610 will support much needed stability for providers across Oregon offering the critical and under-funded services needed by our community: more timely care, improved health conditions and decreased overdoses.

Thank you for your consideration.



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