

## ***Letter from the OHA Assistant Director for Addictions and Mental Health***

### ***Contributions to the OHA mission***

OHA Addictions and Mental Health Division (AMH) programs and services assist Oregonians to achieve optimum physical, mental and social well being by providing access to health, mental health and addiction services and supports to meet the needs of adults and children to live, be educated, work and participate in their communities. This is done by working in partnership with individuals and their families, counties, other state agencies, providers, advocates and communities.

AMH is responsible for these key areas:

- Developing state and federal plans for substance abuse prevention and treatment services and mental health services;
- Implementing state addictions, gambling and mental health programs and laws;
- Directing services for persons with substance abuse disorders, and those involved with problem or pathological gambling;
- Directing services for persons with mental illness;
- Encouraging and supporting services for individuals with co-occurring mental illness and substance abuse disorders; and
- Maintaining custody of persons committed by courts to the state for care and treatment of mental illness.

### ***The need for these services***

Recent findings from a comprehensive study of Oregon's need for addictions services indicate the state unnecessarily spends a staggering \$5.93 billion annually on untreated alcohol and drug abuse. This is \$813 million for health care, \$4.15 billion in lost earnings and \$967 million for law enforcement, criminal justice, social welfare and other expenditures. Less than 25 percent of the need for publicly funded addiction services in Oregon is met. In addition, Oregon's underage drinking rate exceeds the national rate; more eighth-graders, particularly girls, are drinking than ever before.

Regarding mental health services, only 33 percent of the need for publicly funded services for children and adolescents is met and only 47 percent of the need among adults with severe emotional disorders or severe mental illness. A comprehensive community mental health system is essential to the operation of the new psychiatric treatment facility under construction in Salem.

The need in Oregon for addictions and mental health treatment can be seen in the following numbers:

- 301,000 people have substance abuse or dependence issues;
- 28,000 12- to 17-year-olds and 84,000 18- to 25-year-olds have substance abuse or dependence issues;
- 23.2 percent of eighth-graders drank alcohol during the past month;
- 9.0 percent of 12- to 17-year-olds suffer from illicit drug abuse or dependence;
- 77,000 Oregonians have problem gambling issues;
- 106,000 children and adolescents have a severe emotional disorder in any year;
- 157,000 adults have a severe mental illness in any year.

## ***Responding to these needs***

### ***During the 2009-2011biennium:***

- AMH worked with the community mental health programs to strengthen the oversight of services funded by the 2007 Legislature;
- 54,000 people a year received publicly funded addictions treatment;
- 73,000 adults and 35,000 children a year were treated for mental health disorders in the community; and
- 1,400 people were treated at the state hospitals last year.

### ***For adults who have received addictions treatment:***

- More than 56 percent report working at the end of treatment; and
- 56 percent of parents met child reunification requirements.

### ***For youth who have received addictions treatment:***

- 77 percent of the children completing service had improved school performance.

### ***For adults receiving mental health services:***

- 54 percent of those who received treatment found housing when given housing assistance services, and
- 57 percent of those arrested in the 12 months prior to services were not arrested in the 12 months following services.

- *For children receiving mental health services:*
- 56 percent of those arrested in the 12 months prior to services were not arrested in the 12 months following services.
- Roughly 10 percent of individuals were suspended and/or expelled while in services, which is equivalent to the general population.

### ***Transforming the work towards continual improvements***

AMH is using the information, skills and resources available through Transformation to continuously improve processes and quality related to services for those with addiction disorders and mental illness. The structure and discipline inherent in Transformation provided detailed analyses of critical areas of the system that are not working well and allowed improvements essential to improving patient care. These techniques were used to keep the focus on changes and the benefits that will accrue in terms of cost savings, improvements for people, improvement in quality of work and improvement in services.

AMH is managing two complementary Transformation projects, one focused on Oregon State Hospital and the other focused on the community-based system and the functioning of critical work done by program staff. There have been significant improvements in the efficiency and quality of work done by staff and in work with community partners. For example, at OSH the time it takes to hire Mental Health Technicians was cut in half by utilizing tools provided by our transformation experts. The ability to fill these critical direct care positions has contributed to the decrease in the need for mandated overtime.

### ***2009-2011 Investments***

The 2009 Legislature made a modest investment, just under \$500,000 in the community mental health budget, to improve funding for a statewide Suicide Prevention Line. In addition, the Legislature invested \$321, 886 for the WorkHealthy Oregon Program to improve the ability of employers to hire alcohol and drug-free workers. An estimated \$36.1 million was dedicated to OSH in order to fund 527 positions for Oregon State Hospital. These

positions are necessary to begin and address the need to provide 20 hours of active psychiatric treatment to the patients. The added staff will also provide critical treatment and support in the new hospital.

### ***2009-2011 Reductions***

There were five reductions that affect the stability of the community-based mental health and addiction system.

1. The Legislatively Adopted Budget (LAB) reduced \$2.3 million General Fund from the Alcohol and Drug Prevention System, thereby ending the successful Strengthening Families Program (keeping families together).
2. The LAB reduced \$1 million for Supported Employment services for adults with mental illness.
3. The LAB reduced Lottery Funding for problem gambling prevention and treatment by 15 percent or \$1.6 million. Reduced Lottery revenues resulted in further reductions to these programs.
4. The LAB eliminated the cost-of-living adjustment for addictions and mental health provider contracts. This resulted in a \$17.8 million Total Fund loss to the system and further weakens the community-based infrastructure.
5. The LAB reduced the AMH Central Office budget by \$2.9 million Total Funds. This resulted in loss of training and technical assistance opportunities for community programs.

### ***System challenges***

The major challenge in the community mental health system is the over-reliance on long-term residential services created as a response to deinstitutionalization and the closure of state hospitals. These services are expensive and inflexible and limit our ability to help more Oregonians living with mental illness. The investment in these services has been at the expense of investments that would provide permanent housing for people and the supportive services necessary for recovery and greater independence.

The addictions and mental health systems are not meeting the needs of Oregonians in crisis. Without an investment in prevention, early intervention and treatment services, and housing and supports, individuals are likely to end up

incarcerated in jails, prisons or needing expensive long-term services or expensive hospital care. Some of the specific challenges follow.

Oregon's prevention system lacks the capacity to:

- Screen and provide brief intervention and treatment services for returning veterans and uninsured workers;
- Create and disseminate targeted programs for minority parents with children ages 10-14;
- Develop a methamphetamine prevention curriculum for Oregon's children;
- Provide better workplace prevention training and assistance to employers; and
- Supply a consistent statewide prevention program for all communities.

Oregon's addictions treatment system aspires to:

- Provide adequate necessary family-based treatment for youth with co-occurring (addictions and mental health) disorders;
- Appropriately serve more than 400 adults with co-occurring disorders;
- Provide appropriate outpatient addictions treatment for individuals in under-served populations;
- Provide adequate culturally and linguistically competent addictions treatment to reduce health disparities;
- Ensure the provider system is paid adequately to reflect the cost of providing efficient and effective services; and
- Provide sufficient alcohol- and drug-free housing to support recovery; and
- Collect comprehensive data and use it for management of performance,

The Problem Gambling Prevention and Treatment system aspires to:

- Strengthen Oregon's problem gambling prevention and treatment system; and
- Address the needs of minority populations.

Oregon's Community Mental Health Treatment system aspires to:

- Provide the necessary array of community services to ensure the success of the new state hospitals;
- Fully develop a broad array of peer recovery support services;
- Improve access to community-based mental health services for children and their families;
- Increase the capacity of communities to provide intensive mental health services;
- Provide tele-psychiatry for primary care physicians, especially in rural and frontier communities;
- Ensure access to care by increasing payment rates to reflect the cost of providing critical services;
- Provide statewide early intervention services targeted to adolescence and young adults; and
- Collect comprehensive data and use it for management of performance, due to a lack of a modern data system.

### ***Strengthening the state hospital's ability to provide quality care***

The 2009-2011 Legislatively Adopted Budget (LAB) provided critical funding for the state hospital. The budget funded the first phase of staffing, equipment and technology for the new state psychiatric treatment and recovery facility, which is replacing the Oregon State Hospital. The added staff allowed the hospital to make major gains in meeting the federal requirement to provide 20 hours a week of active psychiatric treatment and supports a new treatment model that will help patients recover in a timely manner and ease transitions back into their communities. There is a need to add additional positions to fully staff the new 620-bed treatment facility.

It is with the goal of helping Oregonians recover from addictions and mental illnesses that I respectfully submit this AMH budget.

A handwritten signature in black ink, appearing to read "Richard L. Harris". The signature is fluid and cursive, with a long horizontal stroke at the end.

Richard L. Harris  
Assistant Director for Addictions and Mental Health Services

## *Addictions and Mental Health Division*

### *Mission*

The mission of the Oregon Health Authority is to help people and communities achieve optimum physical, mental and social well being through partnerships, prevention and access to quality, affordable health care. The Addictions and Mental Health Division contributes to that mission by preventing and reducing the negative effects of alcohol, other drugs, gambling addiction and mental health disorders; and by promoting recovery through culturally competent, integrated, evidence-based treatment of addictions, pathological gambling, mental illness and emotional disorders.

### *Goals*

The goals of AMH are to:

Improve the lifelong health of all Oregonians;

Improve the quality of life for the people served;

Increase the availability, utilization and quality of community-based, integrated health care services;

Reduce overall health care and societal costs through appropriate investments;

Increase the effectiveness of the integrated health care delivery system;

Increase the involvement of individuals and family members in all aspects of health care delivery and planning;

Increase accountability of the health care system; and

Increase the efficiency and effectiveness of the state administrative infrastructure for health care.

### ***Overview of AMH programs***

AMH oversees state, county and local public delivery of addictions prevention and treatment, gambling prevention and treatment, and child and adult mental health treatment, for approximately 165,000 Oregonians annually.

Addictions prevention and treatment and mental health treatment improve outcomes for clients, their families, communities and Oregon society by promoting key treatment strategies such as early intervention for young people and by using practices that are scientifically proven and effective. These programs save Oregonians millions of dollars annually by integrating people in recovery into the community and the workforce as contributors to society.

Addictions prevention and treatment and mental health treatment are delivered through county-based systems of care in which services may be delivered by nonprofit organizations employing psychiatrists and psychologists; drug, alcohol and mental health counselors; group home operators; local hospitals and clinics; peer recovery support specialists; and home health care providers.

Strategies for contributing to the OHA mission assist in improving the lifelong health of all Oregonians, increasing the quality, reliability and availability of care for all Oregonians, and lowering or containing the costs of care so it is affordable to everyone.

### ***Alcohol and drug prevention***

Alcohol and drug prevention services are designed to promote healthy choices by Oregonians when they are tempted to use drugs or to drink inappropriately. During 2008-2009, 97,800 people received broad-based prevention services, 23,287 people received selected prevention services, and 3,216 received indicated prevention services.

Recent successes include:

- In 2009 the Substance Abuse and Mental Health Services Administration (SAMHSA) awarded Oregon Department of Human Services, Addictions and Mental Health Division (AMH) a five-year Strategic Prevention Framework State Incentive Grant (SPF SIG). The SPF SIG supports an array of activities for delivering effective substance abuse prevention services and reducing substance abuse problems. The grant is \$2.1 million per year.

### ***Alcohol and drug treatment***

Alcohol and drug treatment services assist people in recovering from addictive behaviors. People in recovery function better in society and work, do a better job parenting their children, and stop committing crimes. Their health improves, which reduces health care costs including expensive emergency departments. During 2008-2009, 54,108 Oregonians received publicly funded alcohol and drug treatment.

Recent successes include:

- Oregon participated in a national clinical trial research project funded by the National Institute on Drug Abuse (NIDA) designed to evaluate the cost effectiveness of field-tested process improvement strategies for addiction treatment providers. This project involves 200 provider organizations across five states – Massachusetts, Michigan, New York, Oregon and Washington – including 31 Oregon providers.
- More than 7,000 clients per year participated in the study. Research findings are anticipated in early fall 2010.

AMH implemented performance-contracting and strengthened performance management methods to promote improved clinical and system outcomes related to services for parents who are at risk or involved in the child welfare system, an initiative funded by the 2007 Legislature. Nearly 1,000 children have been reunited with parents who access services and achieved recovery, representing a cost-offset to the foster care system of \$1.7 million per month.

### ***Problem gambling prevention and treatment***

Problem gambling treatment and prevention services prevent people from becoming addicted to gambling and help them recover if they are addicted. People in recovery find or maintain jobs, repair family relationships and stop committing crimes. During 2008-2009, 2068 people used the professionally staffed Problem Gambling Helpline, 172 utilized web chat, and problem gambling treatment services were delivered to 1,752 people in outpatient services; 331 family members were served in outpatient, 83 people received residential services, and 29 people received respite care services. In 2008-09 state and regional efforts exposed 2.1 million Oregonians to problem gambling prevention information.

- Budget reductions have limited efforts to staff and implement strategic plans for the Latino Advisory Group and Asian-American Advisory Group. The focus has been on keeping infrastructure in place and functioning with minimal support. A pilot effort with Oregon Tribes has been on hold due to lack of funding.

### ***Community mental health services***

Clients include indigent adults with serious mental illness who are a danger to themselves or others, and children with serious emotional disorders who are in danger of being removed from their homes due to those disorders. AMH contracts with community mental health programs for services such as acute in-patient and residential treatment, adult foster care, outpatient therapy, supports needed for successful community living, medications, case management, housing assistance, employment, education and social support. During 2008-2009, 73,071 adults and 34,713 children received these services.

Accomplishments include:

- Sustaining Early Psychosis services in 13 counties to engage young people at their first psychotic episode and provide treatment and supports to help them avoid the disabling effects of major illness; and
- Establishing programs to divert people with mental illness from inappropriate jail stays.

### ***State-delivered community-based secure residential treatment programs***

In order to reduce the need for institutional services for individuals under the Psychiatric Security Review Board (PSRB) who are not easily discharged from Oregon State Hospital, the first state-delivered 16-bed Secure Residential Treatment Facility opened in January 2009. A full range of counseling, medication, skills training and supports are provided to assist people in making progress toward recovery.

### ***State hospital services***

Adults in need of long-term psychiatric treatment for severe and persistent mental illness who are civilly or criminally committed to OHA receive treatment at Oregon State Hospital in Salem and Portland and the Blue Mountain Recovery Center in Pendleton. A total of 1,400 people received treatment during 2008-2009.

Recent OSH successes include:

- Earning full certification from CMS as compliant with the federal requirements for hospitals participating in Medicare and/or Medicaid programs;
- Clearing the last of 19 Requirements for Improvement from the Joint Commission, thereby achieving full accreditation; and
- Using Lean rapid process improvement techniques to improve the processes for hiring registered nurses; reducing the vacancy rate from 21 percent to 0 for the last three quarters.

### ***Transformation***

The structure and discipline inherent in Transformation will support AMH in detailed analyses of critical areas of the system that are not working well and will ensure that measurable benchmarks and goals are established. These techniques will keep the focus on changes that are required and the benefits that will accrue in terms of cost savings, improvements for people, improvement in quality of work, and improvements in services.

## ***Challenges***

The challenges the division faces are a result of many years of limited funding, a growing forensic population and inadequate community resources. These challenges include:

- The hiring and training of sufficient staff within the state hospital system to provide active treatment and keep patients and staff safe.
- The need to implement new programs to achieve major and lasting changes at the state hospital.
- The need to restructure the management of the existing community-based residential system to determine appropriate lengths of stay, equitable distribution of resources and responsibilities for programs serving people under the PSRB, and establish the need for additional supportive housing.
- Lack of an Office of Consumer Affairs for users of mental health services.
- Lack of support for peer- or family-delivered addictions and mental health recovery services.
- Community programs for addictions and mental health that are able to meet less than half the need for services with available funding.
- Insufficient payment rates for community residential providers for all levels of care and all providers.
- Potential lawsuits from advocates for failure to place people in mental health treatment in the least restrictive setting.
- Continued scrutiny from the U.S. Department of Justice and the threat of court action if improvements are not made at the state hospital.
- Providers failing financially or withdrawing from the public system due to low reimbursement for services provided.
- Lack of sufficient alcohol- and drug-free housing to support recovery.
- Lack of sufficient focus on the wellness of people receiving publicly funded addictions and mental health services.

- A better understanding of the changes that are needed to ensure that people who enter the mental health system through the courts as a result of the individual's inability to aid and assist in his/her defense are dealt with at the most appropriate level of care rather than automatically being sent to the state hospital.

***Additional challenges include:***

***Restrictive funding sources***

Children with mental and emotional disorders and their families confront numerous systems in order to find the assistance they require. A family working with the mental health system also may need to work with multiple providers within the system, the school, and possibly juvenile justice or the child welfare system. In order to meet the needs of these families and children, resources from each of these systems must be integrated to provide the full array of services and supports to achieve the best outcomes for the child. Each agency has multiple funding sources, many of them federal, and all with restrictions and requirements on the use of the funds. This problem is often referred to as “funding silos.”

The implementation of HB 2144 passed by the 2009 Legislature (the Governor's Statewide Wraparound Initiative) will result in the development and implementation of specific operational, administrative and fiscal strategies that will integrate services and supports across child-serving systems. A pooled funding approach is the goal that will maximize the systems' limited revenue sources.

The funding silos also make it more complicated to treat adults with either substance abuse or mental health disorders who are involved in multiple systems such as child welfare or criminal justice. The major problem is that the funding is tied to programs or categories of eligibility rather than being focused on individual needs to recover and use of fewer public services. These funding arrangements make it complicated to treat people with both substance abuse and mental health disorders.

### ***Outdated and inflexible state data system***

AMH is using a mainframe data system designed and initiated in the late 1970s. The system is inflexible, does not easily accommodate the addition of new services or provide information necessary to track outcomes, and is staff-intensive to support at the state and local levels. It does not interface with the electronic medical records used by some community programs, thus requiring additional work by counties to provide the state with critical demographic information and data used to monitor treatment programs.

### ***Lack of support for training programs***

Oregon's colleges and universities are insufficiently prepared to train the next generation of workers for publicly funded programs that treat adults and children with substance use disorders including problem gambling and mental health disorders. The state and community programs are unable to hire sufficient numbers of nurses, pharmacists and physicians to provide the active psychiatric treatment that enables people to enter recovery. The problems also exist for counselors, social workers, and certified alcohol and drug abuse counselors. This problem is not limited to the addictions and mental health fields. Throughout the health care industry, the concern about the future of the professional workforce is growing. The scarcity of trained staff creates wage competition for the available staff, and increases the costs of services for all clients, including those who are publicly funded.

### ***Lack of competitive wages***

The service rates for alcohol and drug treatment and mental health treatment, especially 24-hour care, are too low to support reasonable wages for the staff who work with the most vulnerable clients with the most intense treatment needs. As a result, the least experienced members of the workforce are working with the most ill or fragile populations. At times, residential treatment staff members providing direct care are, like their clients, eligible for subsidized housing and food stamps. These staff members have very limited benefits, including health care.

As a result, turnover is high. This disrupts treatment for the clients, especially for children and adolescents in residential care. This revolving door increases the training costs for the programs, further eroding the financial

viability of the providers. Recently, one of the executive directors of an adolescent psychiatric residential program noted that staff members are leaving the agency to work in the fast food industry for higher wages. These problems result in reduced quality of care, longer lengths of stay in intensive and expensive services, and less effective treatment for those who need the most effective treatment.

### ***Stigma***

Because of the social stigma associated with mental illness and substance use disorders, people are reluctant to admit they have a problem with alcohol or drugs, or that they are experiencing symptoms of mental illness. As a result, people often wait until their symptoms have worsened, or they have been arrested or forced into treatment against their will. The stigma associated with these disorders makes it difficult for people to openly seek help for their problems. Failure to seek help early in the course of these disorders creates more social disruption for the individual and increases the likelihood of mandated services or arrest.

### ***Response to critical challenges***

The current recession, which has caused a budget shortfall and subsequent decline in the revenue forecasts, required reductions in funding authorized by the Legislatively Adopted Budget. This further erodes the state's ability to meet the needs of Oregonians with substance use disorders or those with mental illness. New investments needed for community services and system improvements are not available.

### ***Opportunities***

The continuation of funding for the construction of the first new psychiatric treatment and recovery facility in more than 50 years is requested in this budget. There is also a request for funding for the additional staff, equipment and supports needed to operate the new hospital, and allow progress toward meeting the federally mandated minimum of 20 hours of active psychiatric treatment per person per week. These resources will help patients recover and gain the skills needed for successful community living. The new hospital is designed with patients in mind, including nutritious food, access to education, assistance in reaching personal goals, and access to open outdoor space and fresh air in a secure, nurturing environment.

In this requested budget, the new treatment and recovery facility will replace the state's obsolete and inefficient paper-based system for tracking patient mental health care with an electronic medical record that lists the care, treatment and medications for every patient. This budget supports the purchase of a modern hospital data system based on an electronic medical record, the Behavioral Health Integration Project (BHIP).

### ***Unmet need***

The division, in partnership with consumers, counties, providers and other stakeholders, developed investment strategy documents that provide a blueprint for investments to meet the needs of Oregonians with substance use disorders and mental illness. The current economic climate makes it unlikely that there will be substantial investments in community-based services in the next two years. As a result of not addressing these needs, many individuals will not receive vital services, with the end result of increased crime, homelessness and premature death.

Many of Oregon's societal and health problems, such as lost productivity and escalating law enforcement and medical costs, are linked to abuse of alcohol and other drugs. During 2008 more than 150 Oregonians helped create an Alcohol and Drug Strategic Plan, which addresses these serious health and safety issues. This strategic plan highlights the unmet need for addictions prevention and treatment services in Oregon. Specific recommendations include increased funding for:

- Family-based treatment for 3,500 youth with addictive disorders or co-occurring addictive and mental health disorders;
- Treatment for 400 adults with co-occurring addictive and mental health disorders;
- Screening, brief intervention and treatment for 2,000 returning veterans and uninsured workers;
- Outpatient addictions treatment for 5,500 individuals from under-served populations including ethnic minorities, individuals in rural and frontier communities, youth and women;
- Specialized outpatient treatment for 3,333 medium- and high-risk addicted offenders on probation, in post-prison supervision and participating in drug treatment courts; and

- Rate increases for both adult and youth residential services to support sustainability and quality improvement.

Individuals with untreated mental illness also cause societal and health problems such as increases in law enforcement and emergency hospital costs, premature death and family breakdowns. During 2007 and 2008 the Community Services Workgroup met to design a road map that would ensure a stable, appropriate system of timely treatment services for adults with mental illness and minimize the number who require hospital-level care. These investments are essential to support the size of the new psychiatric treatment and recovery facilities funded to open in 2012 and 2013. Specific recommendations include increased funding for:

- Expansion of early assessment and mental health services for young adults to prevent more severe and chronic mental illness;
- Increasing crisis services to meet 50 percent of the unmet needs;
- Increasing regional acute care capacity by 10,036 bed days;
- Adding additional ACT teams to provide services to 300 additional adults, and increasing funding to serve 25 percent of unmet case management need, affecting 4,464 persons;
- Providing supported employment services to meet 50 percent of the need, affecting 3,875 persons;
- Providing 50 percent of need for forensic intensive case management for 515 persons as an alternative to involvement in the criminal justice system;
- Providing indigent funding for 25 community detox beds for persons with co-occurring disorders;
- Providing safe, affordable and permanent housing for 5,420 persons, including monthly rent subsidies and supportive housing to meet 50 percent of the need, and mental health services to 35 people in the Villebois development;
- Establishing 33 mental health specialists for transition-aged youth; and

- Overseeing contractual implementation of all of the above.

The division has repeatedly sought resources to establish peer recovery support services, including two offices for Consumer Affairs, peer-delivered services, family navigator programs to assist families of children with serious emotional disorders in finding and advocating for the services their children need, peer mentoring for child welfare families in recovery, addictions recovery centers, and expansion of Oregon Recovery Homes and Dual Diagnosis Anonymous.

### ***2009-2011 Accomplishments***

**Alcohol and Drug Policy:** AMH initiated the Alcohol and Drug Policy Commission established by HB 3353 passed by the 2009 Legislature and supported the activities until the Executive Director was hired. The Commission reviewed prevention and treatment policy, financing, and management of services across all of the state agencies involved. The Commission will report to the 2011 Legislature and make recommendations for changes to improve the coordination and focus of publicly funded services to prevent and treat substance abuse disorders.

**Impaired Health Professionals:** AMH established a consolidated and independent impaired health professionals program as defined in HB 2345-B passed by the 2009 Legislature. The program monitors the substance use disorder and mental health treatment of impaired health professionals who are either self-referred or diverted to treatment by their licensing boards in lieu of disciplinary action. The goal of this program is to promote the health and safety of patients treated by medical professionals in Oregon.

**Strategic Prevention Framework: System Improvement Grant:** AMH obtained five years of federal funding to support major improvements in defining a common framework for assessing state and local needs and priorities for prevention services, making data-driven decisions in selecting the evidence-based practices that are to be delivered to the right audiences. This will mobilize communities and tribes to implement programs that will improve the prevention outcomes both locally and statewide. The grant funds 10 communities, including at least one tribal

community and representative rural communities. The results will inform increased investments in prevention services in the future.

**Children’s Wraparound Services:** AMH worked with DMAP and CAF to implement phase I of the new method for delivering services to children with behavioral health needs who participate in multiple state agencies. This initiative begins to implement the requirements of HB 2144 passed by the 2009 Legislature. Approximately 385 children in the child welfare system for at least a year who have experienced at least four moves or who came into the system requiring the most intensive level of behavioral health services will be served in eight communities in a coordinated fashion that blends funding. The learning from this phase will inform the further implementation of the Wraparound evidence-based practice as required by statute.

**Integrated Services & Management Demonstration:** AMH worked with legislative leadership to respond to a budget note and develop a system change effort to integrate the management and service model including health, mental health and addictions services. AMH has been working with local demonstration sites to test different methods of integrating management, financing and services. The goal is to discover system improvements that will yield improved health and behavioral health outcomes and methods of containing costs.

**Oregon State Hospital Improvements:** OSH used the technology and skills learned as part of the Transformation project to transform hiring processes for critical health care personnel. There has been successful hiring of Registered Nurses and Certified Nursing Assistants. As a result, nurses are hired in a timely process and the vacancy rate has been reduced to near zero. The same Rapid Process Improvement technology was applied to the hiring of critical direct care certified nursing assistant staff. Hiring time has been reduced, and extensive hiring has been completed. There is much more to do to improve the quality of patient care in addition to hiring direct care staff. The hospital has recently hired a new hospital superintendent. Much work is needed to take quality of patient care beyond improved compliance with the requirements of accreditation and certification bodies and their policies and procedures.

Young Adults in Transition: AMH embarked on an initiative to promote access to a system of services and supports to young adults aged 14 to 25 that are young adult directed and developmentally appropriate. Since August 2007 four programs specifically designed for this population have opened providing treatment in 26 beds. The goal for these services is to provide the youth with appropriate services and supports to learn to manage their illness, complete their education, gain employment skill and learn to live independently.

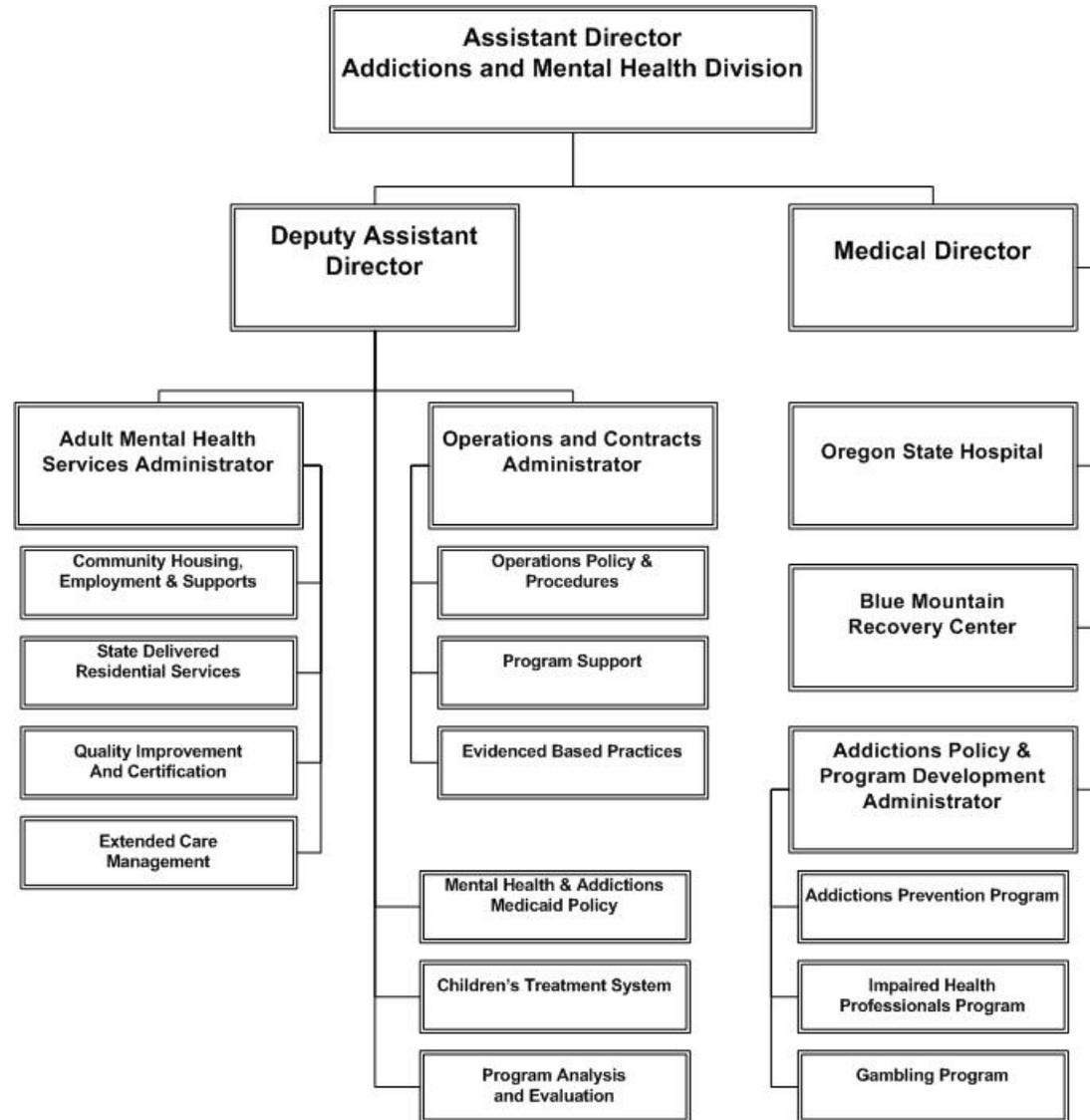
Lean Daily Management System (LDMS): AMH has implemented huddles and visual display boards and the other requirements of LDMS in 100 percent of the units within the office. Planning is underway at OSH to utilize LDMS in improving the quality of the treatment provided to the patients and to streamline existing and create new processes needed as the hospital staff prepares to move into the new facilities early next year.

Housing: During 2009-2011 AMH initiated or completed several residential development projects to transition people from institutional settings and homelessness. AMH provided funding for a total of 26 projects in 11 counties, which created 240 beds for people transitioning from OSH through the residential care system. Of that total: 18 facility-based programs were completed, providing 134 beds for people transitioning through the residential care system. Two projects were initiated using Alcohol and Drug Free Housing Funds to serve 20 additional individuals in recovery from alcohol and drug addiction. AMH invested \$600,000 in interest earnings from the Community Mental Health Housing Fund toward the development of housing valued at \$29 million, for 86 residents with mental illness transitioning to supportive housing. AMH will award approximately \$266,000 in Mental Health Services Funds to facility-based programs to address licensing health and safety issues. In addition, Oregon Recovery Homes outreach coordinators have worked hard to reduce the number of peer-run Oxford Houses closures due to the recession, losing only 10 over the last two years.

Evidence-based practices: The addictions and mental health treatment systems met and exceeded the statutory requirements (ORS 182.525) to deliver evidence-based practices with at least 25 percent of the 2005-2007 budgets. There are more than 150 approved practices from which providers may choose. AMH currently is reviewing the fidelity with which providers are delivering the approved practices. AMH worked with consumers, people in recovery, family members, community mental health program directors, providers, mental health organization

directors, higher education, and private research firms to develop the procedures for evaluating and approving practices, contract language, fidelity monitoring and readiness assessment. The system met the requirement to deliver evidence-based practices with at least 50 percent of the service expenditures during 2007-2009.

*Organizational structure*



## ***Program Priorities***

AMH used the broad policy objectives listed below to prioritize AMH programs that represent AMH's contribution to the OHA mission of helping people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to quality, affordable health care. However, it must be noted that AMH programs, as well as other DHS programs such as vocational rehabilitation, self sufficiency and health care, are interdependent and together help provide solutions to the complex issues facing Oregon's most vulnerable citizens.

### ***Policy objectives:***

1. Prevent and reduce the negative effects of alcohol, other drugs, gambling addiction and mental health disorders.
2. Promote recovery and self-sufficiency through culturally competent, integrated, evidence-based treatments of addictions, pathological gambling, mental illness and emotional disorders.
3. Ensure the delivery of services through a managed community-based system, whenever possible, that is accountable and responsive to the needs of clients and their families.

## ***Policy and Program Alternatives***

Under new leadership, the Addictions and Mental Health Division (AMH) is initiating efforts to increase the integration of medical and behavioral health services, and is restructuring the delivery of adult mental health services to improve the efficient use of residential treatment. The purpose is to ensure people are served at the right level of care, for the right amount of time, and that risks, resources and incentives are aligned. These efforts are critical to meeting the needs of Oregonians with addiction or mental health disorders and will support the success of the state hospital. Improving the delivery and management of services is even more important in difficult economic times.

### ***Alcohol and Drug Policy Commission***

HB 3353 passed during the 2009 session, establishing the Alcohol and Drug Policy Commission and abolishing the Governor's Council on Alcohol and Drug Abuse Programs. The Alcohol and Drug Policy Commission was staffed by AMH prior to hiring the Executive Director and is charged with developing a blueprint for funding and effective delivery of alcohol and drug treatment and prevention services in Oregon. This includes a strategy for organizing, financing and delivering state-funded substance abuse prevention, addiction treatment and recovery services.

### ***Impaired Health Professionals Program***

The 2009 Legislature passed HB 2345-B, which became effective July 1, 2010. HB 2345-B required AMH to establish a consolidated impaired health professionals program. This program monitors the substance use disorder and mental health treatment of impaired health professionals who are either self-referred or diverted by their licensing boards in lieu of disciplinary action. AMH worked closely with the health licensing boards to develop a consolidated program including a plan that transitioned participants who were participating in the separate programs on July 1, 2010.

### ***Children's Statewide Wraparound***

HB 2144 passed the 2009 legislative session. This legislation establishes the Statewide Wraparound Initiative. It requires the Department of Human Services, Oregon Department of Education, Oregon Youth Authority, and Oregon Commission on Children and Families to implement an integrated system of services and supports for children who have or are at risk of developing emotional, behavioral or substance-related needs, and who are involved in two or more systems of care. DHS is identified as the lead agency and has established a cross-divisional Transformation Initiative framework to implement the legislation.

### ***Demonstration Projects***

AMH worked with legislators and stakeholders to develop a Policy Note directing AMH to test models of an integrated management and service delivery system through two or three local demonstration projects with willing communities. The goal is to work through local health, mental health and addictions treatment systems to increase

the availability, access and quality of addictions and mental health services, to improve health outcomes and access to primary care and decrease the use of institutional care.

### ***Acute Care***

AMH was directed by the Legislature through a policy note to work with local mental health authorities and stakeholders to develop an equitable formula and distribution method for Regional Acute Psychiatric Inpatient Treatment funds for all Oregon counties including a cost estimate for implementing a new methodology without penalizing other counties or regions. AMH convened the workgroup and reported to the Legislature as directed in February 2010.

### ***Critical needs and budget challenges***

The addictions and mental health treatment systems have not been funded fully to meet the need for publicly funded treatment services. When untreated, these disorders reduce the ability of the Oregon Health Authority to achieve its mission and affect the demand on DHS divisions, other state agencies and local governments.

### ***Addictions treatment – unmet needs***

Many of Oregon's societal and health problems, such as lost productivity and escalating law enforcement, child welfare and medical costs, are linked to abuse of alcohol and other drugs. During 2008 more than 150 Oregonians helped create an Alcohol and Drug Strategic Plan, which addresses these serious health and safety issues. This strategic plan highlights the unmet need for addictions prevention and treatment services in Oregon. Oregon currently meets 25 percent of the need.

### ***Mental health treatment – unmet needs***

Individuals with untreated mental illness also cause societal and health problems such as increases in law enforcement and emergency hospital costs, premature death, and family breakdowns. During 2007 and 2008 the Community Services Workgroup met to design a road map that would ensure a stable, appropriate system of timely treatment services for adults with mental illness and minimize the number of individuals who require hospital-level

care. These investments are essential to support the size of the new psychiatric treatment and recovery facilities funded to open in 2011 and 2013.

### ***Mandated treatment***

There have been two groups of people in the mental health system who are mandated by the courts to receive treatment for their mental illness – those who have been civilly committed and those who are criminally committed.

Since July 1, 2007, AMH has provided on-demand treatment and support services to youth who are under the jurisdiction of the Juvenile PSRB. These youth, who have committed crimes and have been found responsible except for serious mental condition, present substantial danger to others.

The growth in the caseloads of these mandated groups is projected by DHS. The growth drives the demand for the most expensive levels of treatment in secure community settings or in the state hospital. AMH struggles with managing the admission and discharge of these groups due to external controlling factors created by the courts or the PSRB.

### ***Oregon State Hospital***

While there was substantial investment in OSH staffing in the 2009-2011 budget, achieving appropriate staffing levels, delivering sufficient hours of active psychiatric treatment, and ensuring staff, patient and public safety will require an additional investment by the 2011 Legislature to achieve full funding for OSH.

### ***Federal policy and funding changes***

Since late 2006 the state has been working to improve the quality of treatment, staff and patient safety at OSH. This work began prior to the U.S. Department of Justice (USDOJ) Civil Rights of Institutionalized Persons Act (CRIPA) review of conditions for patients at OSH. To guide this work, OSH created a Continuous Improvement Plan (CIP). Based on the report from the USDOJ and the recommendations in the CIP, the February 2008

Supplemental Session invested in the first of a series of staffing improvements at OSH. The state continues to work with the USDOJ to conclude their investigation without a federally monitored court settlement.

***Program and policy strategies responding to needs and challenges***

In response to the unmet needs and the challenges described above, AMH in its 2011-2013 Agency Request Budget seeks new investments to begin to close the gap between the numbers of people served and those needing services that cannot access addictions and mental health services due to insufficient funding. However, current economic realities require a different approach to stabilizing and improving access to services.

The construction of the first new psychiatric treatment and recovery facility in more than 50 years was funded in the 2009-2011 budget. It will bring some of the additional staff, equipment and supports needed to operate the new hospital and allow progress toward meeting the federally mandated minimum of 20 hours of active psychiatric treatment per person per week. These resources will help patients recover and gain the skills needed for successful community living. The new hospital is designed with patients in mind, including healthy food, access to education, assistance in reaching personal goals, and access to open outdoor space and fresh air in a secure, nurturing environment.

In this budget the new treatment and recovery facility will replace the state's obsolete and inefficient paper-based system for tracking patient mental health care with an electronic medical record that lists the care, treatment and medications for every patient. This budget supports the purchase of a modern data system based on an electronic medical record, the Behavioral Health Integration Project (BHIP).

***Transformation: Improving processes and reinvesting in workforce and service quality***

AMH adopted the tools of transformation and actively joined the department's pursuit of becoming world-class in health and human services delivery. Transforming our work is critical to improving access to high quality, cost effective services that will assist Oregonians with addiction and mental health disorders to achieve optimum physical, mental and social well being. AMH has reallocated one project manager, a Lean leader, and 12 Lean

Practitioners to work with AMH staff to implement changes in the central office and community-based treatment system; the Oregon State Hospital has two Lean leaders and a LDMS coach to assist with managing process improvements and quality improvement efforts.

AMH reviewed the original Transformation initiatives and added strategic initiatives that are improving access to services and flow through the system. These improvements and transformation efforts include community stakeholders and partners. The current AMH initiatives include:

AMH-01 The improvement and streamlining of transition for adults with long term mental illness from the state hospital to the appropriate level of community-based care.

AMH-03 Apply Lean principles to streamline administrative processes at the Oregon State Hospital.

AMH-04 Develop and implement standards for quality of care delivered by the Oregon State Hospital staff.

AMH-08 Improvement simplification and streamlining of AMH central office processes.

AMH-09 Implementation of Lean Daily Management System (LDMS) throughout the central office and state hospitals.

AMH-10 Implement new policies and procedures to reduce payments for vacant beds in residential treatment programs.

AMH-11 Expand the adoption of a single evidence-based process improvement model to improve access to and retention in alcohol and drug treatment.

AMH-12 Improve the utilization of facility-based community treatment for adults with mental illness and increase the availability and use of supportive housing.

AMH-14 Develop a new model of integrated treatment for the elderly or younger adults with deteriorating neurological disorders. While these people are eligible for services in the Seniors and People with

Disabilities system, the current system is unable to successfully manage the behavioral manifestations of these disorders.

AMH is beginning to see positive results from the work of several of these initiatives.

As part of the initiative to transition adults into the level of care to meet their service and treatment needs, a standardized level of care assessment tool has been adopted. OSH has adopted and is using standardized Ready-to-Place criteria. The state and the county programs have agreed to a standardized method to hold counties accountable for the timely discharge of their residents from the state hospitals. These changes are expected to reduce the time that people who are ready for discharge from the hospital must wait for admission to community-based treatment and will reduce the number of people and the amount of time they wait in a psychiatric acute care unit for admission to the state hospital.

The initiative to improve processes at Oregon State Hospital (OSH) is yielding major improvements in the hiring of registered nurses (RN) and certified nursing assistants (CNA), both critical types of employees for safe, effective quality treatment for people at the state hospital. The RN Hiring process improvement resulted in nursing vacancies going from 21 percent at the point the initiative started to achieving three consecutive quarters with no nursing vacancies. In the two months since the process improvement work the hospital has successfully hired 59 CNAs and is on track to achieve the goal of hiring 85 by September 2010. They were able to reduce the average time to hire this position from 88 days to 21 days. This results in the reduction of overtime and reliance on contract staff and improves the quality of patient care.

The initiative to improve quality at OSH has improved the Dietary Consultation process by decreasing the average time for a request for a consult from 180 days to an average of 25 days. This improvement allows fewer dieticians to complete necessary consultations in a timely manner, thus improving the efficiency of the process.

AMH has just completed work on the Vacancy Exception initiative with the adoption of an Oregon Administrative Rule and new procedures to support the payment for vacant beds. As a result, AMH expects to spend fewer dollars in holding beds vacant and expects to improve the utilization of existing capacity.

AMH is nearing the completion of the planning phase of an initiative to transfer the management of facility-based residential services from the state to the managed Mental Health Organizations. This initiative, coupled with the standardized processes created by a previous initiative, will improve the rate of discharge from Oregon State Hospital, improve the flow through the facility-based community programs and result in more people being served in the same capacity. In addition, clients will be assisted in finding permanent affordable housing and will receive the supports they need to be successful in the housing. The initiative will be implemented September 1, 2010.

### ***Strategic initiatives and program design considerations***

In response to the issue of unmet needs and a system that continues to deal with addiction and mental health disorders separately, AMH is examining opportunities that can be accomplished with limited resources to improve the integration of services and system management to maximize access to quality, effective treatment.

There are 12 strategic initiatives that are managed in a structured accountable manner and are focused on improving the infrastructure of the system, testing critical system changes to improve access and quality of services and to plan for important system changes in the future. Six of the initiatives are focused on the future. These are described in the following paragraphs.

### ***Integrated Services & Management Demonstration***

This initiative is working with two regions to fully integrate physical health, mental health and addiction services. The Central Oregon region is a broad-based coalition including the public and private providers in Deschutes, Jefferson and Crook Counties. It is resulting in changes in governance, contracting, service management and coordination and has resulted in the development of a Regional Health Authority for the three counties including public health, mental health and addiction services. The new service coordination model will begin with an agreed-upon group of clients who have extensive service histories across all components of the system with limited success. It is anticipated that integrated treatment and management will improve the outcomes for these clients and decrease the costs to the system.

### ***Peer Delivered Services***

This initiative will focus Oregon's efforts to strengthen and expand a key component of a successful service delivery system and an important addition to the health care work force. AMH is working with stakeholder groups to develop strategies to increase the use and availability of peer delivered services. This work is in the initial stages and is building on existing peer delivered services in the state and is looking at a variety of funding strategies and options.

### ***Strategic Prevention Framework***

Oregon was awarded a State Prevention Framework Grant on July 1, 2009, for five years. The grant will be implemented through work with 10 counties and tribes. The result will be a common framework for assessing state and local needs and priorities, making data-driven decisions about the right evidence-based prevention programs delivered to the right audiences and mobilizing communities and tribes to implement these programs to improve outcomes in their communities. During the implementation of the grant, the state's understanding about the most effective prevention strategies will be improved. As a result of this work, AMH will focus all prevention efforts on effective, evidence-based strategies that will prevent addiction to substances and assist Oregonians in achieving optimum physical, mental and social well being.

### ***Wellness***

AMH has engaged consumers, providers, counties and other stakeholders in the development of consumer-driven efforts to improve the health and well being of people with mental illness and addiction disorders. The early focus of this work will be Tobacco Freedom, an initiative to provide people with the treatment, skills and resources they need to achieve a tobacco-free life and environment. The emphasis on wellness is necessary to improve the overall health outcomes for people with mental illness and addiction disorders, who die 25 years earlier than the average Oregonian.

### ***Young Adults in Transition***

Young Adults in Transition includes those who are aged 14 to 25. This initiative will promote access to a system of services and supports that are young adult-directed and developmentally appropriate. This initiative is eliminating barriers to treatment access and the creation of effective services and supports for this population. This is a population that has not been well served in the public system in the past. With the advent of these new service approaches, improved outcomes are expected for this population.

### ***The Criminal Justice Door to the Mental Health System***

AMH funds, administers, coordinates, regulates and provides direct mental health and restorative services to individuals who have been determined to be unfit to aid and assist in their defense at trial or who have been found Guilty Except for Insanity. These two entry points do not necessarily result in the most appropriate treatment or location for the individual entering the system through these court processes. The work under this initiative will engage all parties, including consumers, the court system, community mental health programs and law enforcement to explore alternative processes that may result in more effective and appropriate placement and services for people with mental illness who come in contact with the criminal justice system as a result of their mental illness.

This initiative is in the early planning stages but is critical to ensuring that the most appropriate people are served in the state hospital.

### ***Alternative reduction options***

The reduction options AMH submitted with the Agency Request Budget are consistent with the program priority list. AMH recommends these and any other proposed reductions be considered in the context of the broader policy outcomes expected of AMH and other OHA programs.

## ***Conclusion***

Addictions and mental health disorders, if untreated, affect the ability of families to retain custody of their children, drive health care costs, drive the number of admissions to the state hospital, contribute to unemployment, and increase costs in the local and state criminal justice systems. It is essential that an integrated, well-managed system of care is funded to provide the evidence-based treatments that demonstrate improved outcomes for people with addictions and mental health disorders. These treatments work. People in recovery are more likely to be employed, less likely to be arrested or jailed, have more stable family relationships, and are more likely to regain or retain custody of their children.