



June 2008

## Inside this Brief

- **Public Sector Services**
- **Addiction Services**
- **Child & Adolescent System Change Initiative**
- **Private Sector Mental Health Benefits**
- **People Who Receive Services**
- **Unmet Need for Services**
- **Oregon State Hospital & Blue Mountain Recovery Center**
- **Construction of New Facilities**
- **Department of Justice Report**
- **Staff and Agency Contacts**

Legislative Committee Services  
State Capitol Building  
Salem, Oregon 97301  
(503) 986-1813

Background Brief on ...

# Mental Health and Addiction Services

*Prepared by: Rick Berkobien*

Like other states, Oregon has a significant number of its citizens who have mental health and chemical dependency disorders. Many also have co-occurring disorders, meaning that they have both a mental illness and a chemical dependency problem. Since an estimated 40 to 50 percent of people with mental health disorders are dually diagnosed, and these two conditions often adversely impact each other in terms of overall disorder and treatment, it is important to consider both.

The term “mental disorders” encompasses a wide range of conditions of altered thinking, mood, and/or behavior associated with impaired functioning. Mental disorders range from the more significant types, like schizophrenia and major depressions, to the less severe phobias and anxiety disorders. Research is finding that most significant mental disorders are biologically based, meaning that there are physical causes in the brain that result in the disorders. Many mental disorders are treatable with prescription medications and other services such as counseling and case management. Mental retardation such as Down syndrome should not be mistaken for mental illness. However, people with mental retardation can also have a mental illness and substance abuse problems.

Chemical dependency includes addiction to alcohol and/or illegal drugs such as opiates, methamphetamines, and marijuana. Many people with chemical dependency problems will often abuse several illegal substances as well as alcohol.

## Public Sector Services

The Addictions and Mental Health Division (AMH), in the Department of Human Services, is the state’s primary agency for mental health and addiction treatment and prevention programs. The AMH is responsible for planning and policy development for mental health, alcohol/drug and gambling addiction services, overseeing community services such as detoxification, residential treatment, outpatient counseling as well as prevention/education, quality assurance and licensing.

Adults in the Oregon Health Plan (OHP) Plus program with mental health problems are generally eligible for a variety of services funded in the OHP prioritized list of services including crisis care, acute hospitalization, case management, counseling, medication management and other services (see *Oregon Health Plan Background*

Brief for more information). Adult residential services are available for all adults, but are not covered by the OHP. Children covered by the OHP are eligible for prevention, education, early intervention, assessment, crisis, inpatient hospitalization, therapy, case management, intensive community-based services, medication management, in-school supports, psychiatric day treatment, psychiatric residential, and intensive secure community-based psychiatric residential long-term services.

Children and adults who need mental health services but have no public or private insurance are prioritized based on those with the most significant needs. Uninsured children with a severe emotional disturbance are eligible for assessment services, crisis services and therapy. Uninsured adults also must usually have a severe mental illness or major psychiatric crisis to access services, which are provided through state General Fund and Mental Health Block Grant funds.

People may be required to receive psychiatric treatment (commitment) if they are identified as a danger to themselves, a danger to others, or unable to provide for basic needs as a result of a mental illness. The county is responsible for the cost of hospital care and treatment prior to a commitment hearing. The state provides limited funds to local hospitals once persons are committed. For patients in state hospitals, the care and treatment is paid for primarily through the General Fund.

Depending on the specific services and population, the expected outcomes for people receiving mental health and chemical dependency services range from fewer arrests and lowered use of emergency and hospital services to improved social functioning in work, school, and family relationships.

The OHP mental health services are provided in a managed care environment through networks of insurers and providers. These networks are called mental health organizations (MHO) and are operated by county community mental health programs, multi-county regional programs,

private insurers, networks of providers, or fully capitated health plans (i.e., managed care plans). MHOs are also carve-out programs, meaning that their services are covered and paid for separately from the physical health services that the OHP clients receive.

### **Addiction Services**

Adults and adolescents with chemical dependency problems and no insurance may receive a range of treatment services including outpatient counseling, detoxification, and residential treatment. There is a major focus on early intervention and the prevention of chemical dependency. These services include public education, skill building programs, community development, and environmental approaches.

People in the OHP who need chemical dependency treatment can receive assessments, outpatient, intensive outpatient services, methadone and medical detoxification. These treatments are paid for within the OHP client's physical health care services, because chemical dependency treatment services are not carve-out programs like MHOs. Oregonians not on the OHP may receive the same services through the AMH that also funds residential and social detoxification for both OHP clients and those not covered under Medicaid using funds from the federal block grant, general funds, and some dedicated state funding.

While the mental health and chemical dependency benefits were restored for adults and couples eligible for Medicaid based on poverty (OHP Standard), the number of people eligible has been constrained to a biennial average of 24,000. This is a substantial decrease from over 100,000 in previous biennia. People without coverage for treatment of substance abuse problems are placed on wait lists by community programs that do not have the resources to treat everyone requiring treatment.

### **Child & Adolescent System Change Initiative**

In response to a 2003 Legislative Budget Note, the AMH worked with stakeholders to prepare

for a major change in the delivery of intensive mental health services to children with severe emotional disorders. Planning continued throughout 2004 and early 2005. The full initiative was implemented on October 1, 2005, with the transition to managed care for the Psychiatric Day and Residential Treatment Services.

Since October 1, 2005, Medicaid-reimbursed mental health services include a full array of managed services that are community-based, with decision making and service delivery occurring locally or regionally. Communities have a single point of access, most commonly the Community Mental Health Program, that uses a uniform method of determining a child and family's service needs and strengths. Children and their families receive care coordination, flexible community-based services, and interagency collaboration. The services are individually determined based on the needs of the child and family. The goal is to provide intensive community-based services so that children and their families receive services to keep a child at home, in school, and with friends.

The AMH reports that trend data in services and service outcomes before and after the Children's System Change Initiative (2004 through the

second quarter of 2007) is demonstrating that many of the expected changes are occurring. Service data indicates that more children are receiving mental health services, the provision of intensive mental health services has increased, fewer children are going to residential treatment and acute psychiatric hospital care, and parents are increasingly satisfied with treatment appropriateness, outcomes, participation, and coordination among agencies. Parents are also reporting that the initiation of mental health services has increased school attendance, decreased school suspension and expulsions, and reduced the number of arrests for their children.

### Private Sector Mental Health Benefits

Since the early 1980s, Oregon has required that group health insurance plans include mental health and chemical dependency treatment benefits (ORS 743A.168). The law specified certain minimal dollar benefits that plans must provide for both mental health and chemical dependency treatment inpatient, residential, and outpatient services for adults and children. The 2005 Legislative Assembly passed Senate Bill 1, the so-called "Parity Bill." Effective on January 2007, mental health and chemical dependency problems are treated using comparable medical necessity criteria and techniques used to manage

Figure 1 – Mental Health Services (Children)

Children	White	Native Am.	Hisp.	Black	Asian
Oregon Pop.	755,394	13,084	63,676	13,956	26,168
Number receiving services	25,292	1,843	4,184	2,150	446
Percent receiving services	3.3%	14.1%	6.6%	15.4%	1.7%

Data from the Office of AMH, FY 06/07

Figure 2 – Mental Health Services (Adults)

Adults	White	Native Am.	Hisp.	Black	Asian
Oregon Pop.	2,322,217	36,637	321,278	50,728	90,183
Number receiving services	58,504	2,038	3,938	3,119	2,281
Percent receiving services	2.5%	5.6%	1.2%	6.1%	2.5%

Data from the Office of AMH, FY 06/07

Figure 3 – Chemical Dependency Services (Children)

Children	White	Native Am.	Hisp.	Black	Asian
Number receiving services	4,157	400	840	248	52
Percent receiving services	Under 1%	3.1%	1.3%	1.8%	Under 1%

Data from the Office of AMH, FY 06/07

Figure 4 – Chemical Dependency Services (Adults)

Adults	White	Native Am.	Hispanic	Black	Asian
Number receiving services	45,417	2,617	6,402	2,310	666
Percent receiving services	2.0%	7.1%	2.0%	4.6%	Under 1%

Data from the Office of AMH, FY 06/07

other insured illnesses.

### **People Who Receive Services**

In state fiscal year 2006-2007, the AMH preliminarily reported that 73,179 adults and 36,545 children received public-funded mental health services in Oregon. Approximately 64,205 clients with chemical dependency problems were also treated in 2007.

The AMH documents the number of children and adults from various racial and ethnic groups who use mental health and chemical dependency treatment services. Figures 1 (children) and 2 (adults) on the previous page summarize the number of individuals who receive mental health services, with a breakdown by racial/ethnic groups.

Based on the same racial/ethnic population totals as above, Figures 3 and 4, respectively, summarize the number of children and adults receiving chemical dependency services, along with the percentage of each group as it relates to their respective total populations.

Note: total sums in Figures 1 through 4 do not equal the total number served because some individuals declined to provide racial data.

### **Unmet Need for Services**

A number of factors—most notably an increasing state population, high unemployment and lack of insurance, fewer mental health professionals in certain parts of the state, and fewer public programs due to budget cutbacks—have created more demand for mental health and chemical dependency services than are available.

For 2006-2007 (the most current period available), the AMH estimated that 44 percent of the people with severe mental illness received public services. Others did not receive services due to a lack of personal resources, inability to access appropriate treatment, or for other reasons. In the same timeframe, the AMH estimated that 35 percent of Oregon children with severe emotional disorders received needed public mental health treatment.

The AMH estimates that there are 258,045 Oregonians (149,120 adults age 26 and over, 82,369 young adults ages 18-25, and 26,556 youth) who need alcohol and/or drug treatment. Roughly 25 percent of those in need receive service through publicly funded programs. The number of people receiving services through private funds or other means is unknown.

### **Oregon State Hospital & Blue Mountain Recovery Center**

The Oregon State Hospital (OSH), in Salem and Portland, along with Blue Mountain Recovery Center (BMRC) in Pendleton, comprise the state's publicly funded psychiatric institutions.

OSH programs include:

- Forensic Psychiatric Services that consists of Hospital Services (369 beds on 16 wards) and Residential Services (70 beds on 2 wards), provides evaluations for fitness to proceed and criminal responsibility; treatment to restore capacity for trial (i.e., aid and assist in a trial); and treatment for those found guilty except for insanity and placed under the jurisdiction of the Psychiatric Security Review Board (PSRB). The PSRB is appointed by the Governor and responsible for monitoring the mental and physical health and treatment of any person placed under its jurisdiction as a result of a finding by a court of guilty except for insanity.
- Geropsychiatric Services (114 beds on 4 wards) provides evaluation and treatment services for older adults with psychiatric and medical disorders and for younger, neurologically impaired adults.
- Adult Treatment Services (122 beds on 5 wards) provides services to adult patients in Portland (92 patients on 4 wards) and Salem (30 patients on 1 ward). These adult patients are usually referred from acute care hospitals in the community under civil commitment orders.

BMRC provides 60 beds of hospital-level treatment for adults.

### Construction of New Facilities

The Salem hospital facilities are very old; a third was built between 1883 and 1912 and the newest building was constructed in 1955. There are continuing and costly maintenance and remodeling challenges for the hospital to meet current standards of psychiatric treatment and patient/staff safety and security.

The 2007 Legislative Assembly authorized certificates of participation that will finance \$458 million for construction of 2 new, state-operated psychiatric facilities: a 620-bed facility in Salem and a 360-bed facility in Junction City. Both sites will be modern psychiatric treatment and recovery facilities designed for up-to-date practices. The state's goal is to build the new hospitals and strengthen the community mental health system to support better recovery and a return to successful community living. The Salem facility is scheduled to open in 2011 and the Junction City facility in 2013.

### Department of Justice Report

The U.S. Department of Justice (USDOJ) Civil Rights Division is responsible, under the 1997 Civil Rights of Institutionalized Persons Act, for investigating conditions and practices at public psychiatric institutions. The USDOJ regularly conducts reviews of such institutions throughout the U.S. to ensure protection of the constitutional and federal statutory rights of patients with mental illness who are being treated in public institutions.

In November 2006, the USDOJ investigated conditions and care practices at the Salem and Portland OSH campuses. The inquiry included on-site interviews of administrative staff, mental health care providers, and patients. Investigators also examined the physical living conditions at the two facilities and reviewed hundreds of documents including policies and procedures, incident reports, and medical and mental health records.

Following that review, the USDOJ sent a report in January 2008 to the Governor. The report included recommended remedial steps for OSH

to take to correct deficiencies in five general areas:

- Adequately protecting patients from harm
- Providing appropriate psychiatric and psychological care and treatment
- Use of seclusion and restraints in a manner consistent with generally accepted professional standards
- Providing adequate nursing care
- Providing discharge planning to ensure placement in the most integrated settings

In January 2008, the President of the Senate and the Speaker of the House of Representatives named a ten-member Oregon State Hospital Patient Care Committee to provide legislative oversight of the state's response to the report. During the 2008 Legislative Session, the legislature appropriated \$6.6 million for the OSH to address staffing needs and other issues related to the report. This total consists of a \$1.8 million immediate appropriation and \$4.8 million set aside for later distribution by the Emergency Board.

To avoid legal action from the federal government if these issues are not corrected, the state is adding new staff, reviewing, and revising numerous policies and making other changes to the current hospital and its operations.

### Staff and Agency Contacts

Robert Nikkel

[Department of Human Services](#)

Office of Addictions and Mental Health Services  
503-945-9704

Rick Berkobien

[Legislative Committee Services](#)

503-986-1485

*Robert Nikkel, Madeline Olson, Andy Smith, and Jamie Rockwell of the Department of Human Services, Office of Mental Health and Addiction Services, assisted with the development of this document.*