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AGENDA COVER MEMO

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AGENDA DATE: January 29, 2003

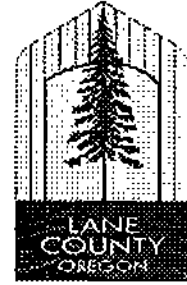
TO: Board of County Commissioners

FROM: Department of Health & Human Services

PRESENTED BY: Rob Rockstroh

AGENDA ITEM TITLE: IN THE MATTER OF THE DEPARTMENT OF HEALTH & HUMAN SERVICES' RESPONSE TO PENDING MENTAL HEALTH FUNDING CUTS

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**I. ISSUE**

The County is facing budget cuts from the State of Oregon for mental health services. The Department of Health & Human Services (HHS) has developed policy changes in response to the pending funding cuts. HHS is requesting an opportunity to discuss these changes with the Board and gain the concurrence of the Board or receive direction from the Board to move in a different policy direction.

**II. DISCUSSION**

A. Background

Funding for a number of mental health services are being reduced as a result of the State's revenue forecast shortfall and pending the approval of Measure 28. Funding for Community Crisis services will be reduced by \$67,622 due to the revenue shortfall. Community Crisis services are slated to be reduced by an additional \$197,450 if Measure 28 does not pass, eliminating all community crisis funding from the State. Other reductions contingent upon the passage of Measure 28 include a \$278,493 reduction in adult outpatient services (43% of our allocation for the period 2/1/03 – 6/30/03); a \$10,154 reduction in child outpatient services (54% of our allocation for the period 2/1/03 – 6/30/03); and a \$161,749 reduction in supported employment services (100% of our allocation for the period 2/1/03 – 6/30/03). In addition to these cuts, Lane County is facing an increase in indigent clients as Oregon Health Plan (OHP) standard clients lose their mental health benefit.

Lane County has also received a contract amendment from the State discontinuing payment for clients who have been approved for stays at the State Hospital, but are unable to be placed there due to a lack of bed space. In the past, the County has continued to provide care to these clients until the State was able to make a bed available. Care was provided in the Lane County Psychiatric Hospital (LCPH) and was reimbursed by the State.

## B. Analysis

The cuts facing mental health services beginning February 1, 2003 will require Lane County Mental Health to make significant changes to the way it does business. These changes are predicated on the fact that the OHP reimbursement level is insufficient to cover the cost of services; children's mental health services have always cost the County more than the funding received from the State; the reduction in indigent care funding for crisis services; changes to the OHP which will increase the number of indigent clients in Lane County; and the cessation of State funding for long term care at LCPH.

HHS is recommending the following policy changes:

- ⇒ Discontinue Emergency Room Coverage: Lane County has a long history of providing mental health coverage to the Sacred Heart Emergency Room. Although the County had a revenue contract with Sacred Heart Medical Center for provision of these services, this only paid a portion of the cost of providing coverage.
- ⇒ Cut Commitment Investigation by 50%: Lane County will reduce the commitment investigation team to one investigator. If commitment investigation volume becomes more than that investigator can manage, the department will have to divert staff from other services to cover commitment.
- ⇒ Deliver to the State Hospital People Approved by the State for Long Term Care Who are Housed at LCPH: HHS is unable to provide free inpatient psychiatric care for clients for whom the responsibility for treatment has been transferred to the State. Clients approved by the State for long term hospitalization at the State Hospital will be delivered to the State for care.
- ⇒ Ration Indigent Care Based on a Criteria to Enter and Remain in Care: Clients will be assessed and prioritized for services based on criteria such as their risk of harm to themselves or others; the potential for severe deteriorating function; and the ability to benefit from treatment.
- ⇒ Develop a Waiting List: Once all of the available treatment slots have been filled at LCMH, clients will be prioritized on a waiting list for entrance into treatment.
- ⇒ Reduce the Number of Child Clients Seen: The only child clients seen by LCMH will be those unable to be treated by other providers. LCMH will not see child clients who are covered by private insurance, they are presumably able to receive services at other agencies.

- ⇒ Develop Community Alternatives: LCMH has been the community's safety net for clients with mental illness. As this safety net begins to fall apart due to funding cuts, HHS will work with community providers to develop a new safety net for these clients.

The Mental Health Advisory Committee (MHAC) and the LaneCare Quality Assurance Committee will review the proposed policy direction prior to this agenda item being discussed by the Board. These committees include a mix of providers, mental health consumers, consumer families, and interested community members. If either of these committees suggest changes to this policy direction, HHS will bring that information to the Board as well.

C. Alternative / Options

1. To concur with the HHS policy direction in response to pending mental health funding cuts.
2. To furnish a different policy direction for HHS in response to pending mental health funding cuts.

**III. IMPLEMENTATION / FOLLOW UP**

HHS will implement policy changes, pending mental health budget cuts, as recommended by the Board.