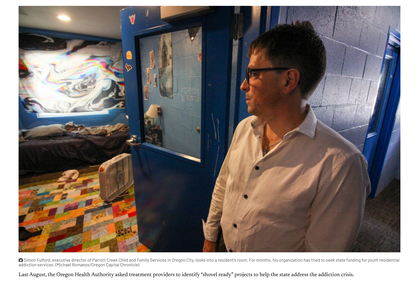
Oregon Capital Chronicle

Oregon Health Authority's slowness to respond to drug crisis stymies expansion of care

Providers have "shovel ready" projects, and the Legislature allocated millions last year but the health authority has yet to make any funding decisions

BY: BEN BOTKIN - FEBRUARY 16, 2024 7:31PM



Simon Fulford, executive director of Parrott Creek Child and Family Services in Oregon City, looks into a resident's room. For months, his organization has tried to seek state funding for youth residential addiction services. (Michael Romanov/Oregon Capital Chronicle)

Last August, the Oregon Health Authority asked treatment providers to identify "shovel ready" projects to help the state address the addiction crisis.

Within weeks, they submitted details on 16 residential projects that the state could fund. Many providers had already purchased or identified buildings, secured some funding from other sources and hired contractors or obtained cost estimates to renovate or expand existing facilities.

But they all are still waiting for a funding decision from the state, according to interviews and records obtained by the Capital Chronicle.

Providers need state money to respond to the crisis, with overdose numbers skyrocketing, hundreds dying every year and streets awash with fentanyl. Construction costs alone require a mix of funding sources, including from foundations and the community. State money is a critical part of most behavioral health and addiction projects – it can increase the size and the ability to treat more people – and nonprofits need quick responses to obtain permits, hire contractors and finalize plans.

Yet the health authority makes providers wait for decisions for months. Officials are slow to respond to requests; they cancel meetings and are slow to reschedule even when providers are ready to go and even though state lawmakers have earmarked millions of dollars to the Oregon Health Authority for more residential treatment facilities.

"What I hear from my members is the slow response and lack of clarity and untimely payment processes is very concerning to all of our members," said Heather Jefferis, executive director of the Oregon Council for Behavioral Health, which represents providers. "They are at the point where they have to start thinking about: Can I proceed with the project that OHA has to offer because of these timeliness issues?"

A Capital Chronicle analysis of public records and interviews with behavioral health providers with potential expansions reveal an agency that's slow to respond to the crisis, forcing providers to wait to finalize plans or move forward with scaled-down projects.

Oregon lawmakers have stepped up: In the 2023 session, with backing from Gov. Tina Kotek, legislators approved $158 million in behavioral health money for new projects and programs. Of that, $15 million was earmarked for construction and expansion of residential addiction treatment facilities.

And again this session, lawmakers have made the addiction crisis – along with housing – a priority, with wide-ranging proposals that include increasing treatment capacity.

Just this month, the health authority released a report saying the state lacks nearly 3,000 beds to care for adults who need addiction or mental health care. Yet the Oregon Health Authority plods along at a frustratingly slow pace for behavioral health providers trying to move forward on expanding treatment services.

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>
> *– Tim Murphy, CEO of Bridgeway Recovery Services in Salem*

The agency's slowness is not new, but the stakes are higher than ever, with turmoil visible on the streets, while the available funding has rarely been higher. In the 2023 session, Oregon lawmakers, with backing from Gov. Tina Kotek, approved $158 million in behavioral health money for new projects and programs. Of that, $15 million was earmarked for construction and expansion of residential addiction treatment facilities.

Yet today, not one penny of that $15 million has been distributed, even as lawmakers look for ways to fund more projects this short session.

In 2022, the Oregon Health Authority also was flush with money to address the crisis. It had several hundred million in cannabis revenue to fund a range of services statewide under Measure 110, yet it was slow to act. Critics also were angered by the agency's chaotic approach to awarding the first round of Measure 110 grants for addiction-related services and programs. A Secretary of State audit even said the rollout was burdened by administrative requirements and a lack of clarity around how to dole out money.

Advocates and local officials also raised concerns about the health authority's pace at rolling out an historic $1 billion in new behavioral health investments that lawmakers allocated in the 2021 session.

Industry leaders and state government insiders who closely follow the state's behavioral health system are growing weary of the red tape and task forces that often slow down the pace of meaningful action.

"We don't need another blue ribbon task force," said Tim Murphy, CEO of Bridgeway Recovery Services, which provides residential addiction treatment and other health services in Salem. "We need to get our shovels out, get our development going."

Oregon Health Authority officials insist they are moving forward with urgency, and a spokesperson said the state plans to award money to projects this spring. But when asked, Tim Fleider, an agency spokesperson, offered no examples of any changes the authority is making to get money to providers sooner.

In an interview, Dr. Sejal Hathi, the Oregon Health Authority's new director, said the agency has identified about $87 million in funds that are "immediately available" to help projects. But she also said the needs are much bigger and years of work are ahead to erase the state's deficit of beds.

"We've identified a series of shovel ready projects to begin to chip away at that behavioral health providers are poised to break ground for with funding that we have received," Hathi said. "But right-sizing that system of care is going to take more than five years and likely going to require additional investments from the Legislature of more than $500 million. And so this is a marathon. It's not a sprint."

Elizabeth Shepard, a spokesperson for Kotek's office, said the OHA's new leadership is focused on accountability and improvements. Hathi, hired from New Jersey, started in mid-January. Last year, Kotek recruited Ebony Clarke, the authority's behavioral health director, from Multnomah County.

"She is never satisfied if things take longer than they need to," Shepard said when asked if Kotek is satisfied with the pace of the agency's work getting money to providers. "Her administration inherited an agency exhausted by a global pandemic and significantly lacking internal systems and leadership on behavioral health."

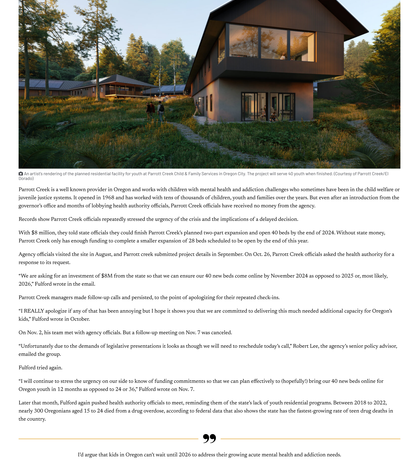
Parrott Creek's slog

A children's services provider's struggle offers just one example of the difficulty providers face trying to get funding from the agency.

Last year, Parrott Creek Child & Family Services in Oregon City was in the midst of planning a new youth residential facility to treat teenagers for addiction to fentanyl and other drugs. Managers at the Clackamas County-based organization recognized the growing threat of fentanyl – and the need for more young people to access treatment.

In June, they were optimistic. Annaliese Dolph, the governor's behavioral health initiatives director at the time, connected Parrott Creek managers with Clarke. In an email on June 28, 2023, Dolph told health authority officials the group was planning a project to serve youth in addiction and needed funding.

"This project should be on the radar for you and your team," wrote Dolph, now director of the Oregon Alcohol and Drug Policy Commission.



An artist's rendering of the planned residential facility for youth at Parrott Creek Child & Family Services in Oregon City. The project will serve 40 youth when finished. (Courtesy of Parrott Creek/ID Cornett)

Parrott Creek is a well known provider in Oregon and works with children with mental health and addiction challenges who sometimes have been in the child welfare or juvenile justice systems. It opened in 1968 and has worked with tens of thousands of children, youth and families over the years. But even after an introduction from the governor's office and months of lobbying health authority officials, Parrott Creek officials have received no money from the agency.

Records show Parrott Creek officials repeatedly stressed the urgency of the crisis and the implications of a delayed decision.

With $8 million, they told state officials they could finish Parrott Creek's planned two-part expansion and open 40 beds by the end of 2024. Without state money, Parrott Creek only has enough funding to complete a smaller expansion of 28 beds scheduled to be open by the end of this year.

Agency officials visited the site in August, and Parrott creek submitted project details in September. On Oct. 26, Parrott Creek officials asked the health authority for a response to its request.

"We are asking for an investment of $8M from the state so that we can ensure our 40 new beds come online by November 2024 as opposed to 2025 or, most likely, 2026," Pulford wrote in the email.

Parrott Creek managers made follow-up calls and persisted, to the point of apologizing for their repeated check-ins.

"I REALLY apologize if any of that has been annoying but I hope it shows you that we are committed to delivering this much needed additional capacity for Oregon's kids," Pulford wrote in October.

On Nov. 2, his team met with agency officials. But a follow-up meeting on Nov. 7 was canceled.

"Unfortunately due to the demands of legislative presentations it looks as though we will need to reschedule today's call," Robert Lee, the agency's senior policy advisor, emailed the group.

Pulford tried again.

"I will continue to stress the urgency on our side to know of funding commitments so that we can plan effectively to (hopefully!) bring our 40 new beds online for Oregon youth in 12 months as opposed to 24 or 36," Pulford wrote on Nov. 7.

Later that month, Pulford again pushed health authority officials to meet, reminding them of the state's lack of youth residential programs. Between 2018 to 2022, nearly 300 Oregonians aged 15 to 24 died from a drug overdose, according to federal data that also shows the state has the fastest-growing rate of teen drug deaths in the country.

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> *– Simon Fulford, executive director of Parrott Creek Child and Family Services email to the Oregon Health Authority*

"I'd argue that kids in Oregon can't wait until 2026 to address their growing acute mental health and addiction needs," Pulford wrote on Nov. 20.

Health authority officials scheduled another meeting for Dec. 7. About three hours before it started, health authority officials canceled it, citing "other pressing issues."

Later that month, state officials did meet with Parrott Creek managers. Pulford is still not sure what to expect.

"We feel like we've become a bit of an annoyance by continuing to ask them sort of the status of that decision making," he said in an interview. "We feel like we're in a bit of a holding pattern with OHA."

For now, he's hoping that lawmakers will fund the $8 million. But now that they've started the first phase of the project, completion of any additional beds won't happen until 2025 at the earliest, he said.

"If we had secured that money by the end of 2023, we would have been able to guarantee the full completion by the end of 2024," Pulford said.

Providers in Redmond, Salem wait, too

Pulford is not alone in his frustrations.

Rick Treleaven, CEO of BestCare Treatment Services in Redmond, which provides addiction treatment to people in central Oregon, is also waiting for answers. He's been trying to get funding for two projects. One request is for about $506,000 that would help him add 10 more beds. The other is a 16-bed residential facility to serve Latinos.

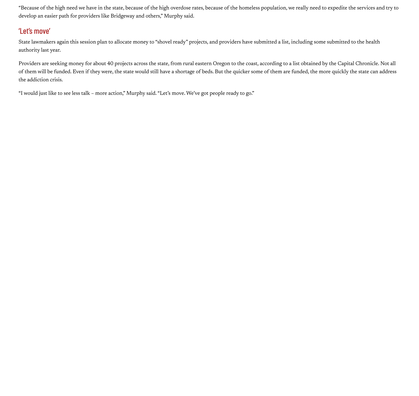
"I've written that and sent that in maybe six times at this point," he said. "Somehow it gets garbled. And so we'll see what comes out of that."

His organization contracts with the state to provide residential addiction treatment services for Latino men. But they currently lack the space to house Latinas in residential programs. This means Latinas have no options for residential treatment, even though the population of Latinos has continued to grow, he said.

"We have 13 male beds and that's it," he said. "That's a classic example of institutional racism."

Treleaven speculated that the slowness stems from an exodus of senior staffers during the pandemic.

"My sense is that during the pandemic, most of the senior staff who had been there a long time and knew how to do these things retired out," he said, leaving a handful of experienced top managers.



The outside of Bridgeway Recovery Services, an addiction treatment provider in Salem, on Friday, Feb. 16, 2024. (Ben Botkin/Oregon Capital Chronicle)

In September, Salem-based Bridgeway Recovery Services, which provides residential and outpatient behavioral health care and addiction treatment services, requested funding to purchase two six-bedroom houses that would add 10 to 14 beds to its existing 24 beds, records show.

Bridgeway officials also hope lawmakers will approve about $10 million for a 34-bed detox project to help people manage their withdrawal symptoms.

Bridgeway has about $6 million of Measure 110 funding, which is enough for it to break ground, but $10 million more is necessary to complete it, Murphy said.

Murphy said he understands the state needs to be careful making funding decisions, but said officials need to move more quickly. For example, he said, it's typical for agency officials to acknowledge a request and say they'll respond in 30 days.

"Why can't they get back to me within 10 days?" he said. "That would make things work a little faster."

The need is urgent, he said.

"Because of the high need we have in the state, because of the high overdose rates, because of the homeless population, we really need to expedite the services and try to develop an easier path for providers like Bridgeway and others," Murphy said.

'Let's move'

State lawmakers again this session plan to allocate money to "shovel ready" projects, and providers have submitted a list, including some submitted to the health authority last year.

Providers are seeking money for about 40 projects across the state, from rural eastern Oregon to the coast, according to a list obtained by the Capital Chronicle. Not all of them will be funded. Even if they were, the state would still have a shortage of beds. But the quicker some of them are funded, the more quickly the state can address the addiction crisis.

"I would just like to see less talk – more action," Murphy said. "Let's move. We've got people ready to go."