

Interim Report for House Bill 5024: Regional Development and Innovation Initiative Update



Oregon
Health
Authority

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EXECUTIVE SUMMARY

The Regional Development and Innovation Initiative is a \$130 million investment to increase Oregon's licensed residential facilities and housing for people with behavioral health service needs. As one piece of this initiative, the Oregon legislature directed the Oregon Health Authority to:

- Award up to \$5 million to community partners for planning grants,
- Issue a Request for Proposals by December 31, 2021,
- Submit a recommendation for how to invest available funds for increasing culturally and linguistically appropriate residential treatment and housing capacity to the legislature by March 1, 2022.

At legislative direction, OHA is in ongoing consultation with various related state entities, and has also begun convening periodic webinar-format meetings with planning grantees and interested community partners.

In the Fall of 2021, OHA awarded the \$5 million in planning grants, up to \$50,000 each to 104 community grantees.

Subsequently, OHA issued a Request for Proposals (RFP) designed for “ready to go” projects which could be ready to admit residents within 12 months, and focused on children in need of intensive treatment services or individuals ready to be discharged (or diverted) from the Oregon State Hospital.

This RFP resulted in 12 proposals totaling \$14.53 million, including 141 beds for children's facility or home and 52 beds for adults' facility or home.

Feedback from community partners indicates that more of the original 104 planning grantees are strongly interested in applying for funds, but were not ready to respond to the initial RFP. Thus, OHA intends to issue at least two more RFPs, generally intended for development of proposals that require a longer time horizon. These RFPs will be informed by continuing consultations and informational community meetings, as well as progress reports provided by grantees.

BACKGROUND

The Regional Development and Innovation Initiative is a \$130 million investment to increase Oregon's licensed residential facilities and housing for people with behavioral health service needs. Funds will support capital, startup, and operational costs. This 2021-2023 initiative is funded with \$65 million from the American Rescue Plan Act and \$65 million General Fund.

On February 7, 2022, OHA's Behavioral Health Director, Steve Allen, provided a [comprehensive update to the Joint Ways and Means Subcommittee on Human Services](#) regarding each of the 2021 investments, including a robust response in the first in a series of Requests for Proposals (RFPs). In that same presentation, Director Allen presented a summary of significant challenges in the behavioral health system that are exacerbated by the Omicron Variant of COVID-19, behavioral health staffing shortage, and the escalating complexities related to people who have interactions with the justice system and complex behavioral health service needs.

As one piece of this initiative, the Oregon legislature included the following budget note ([Page 11](#)) in OHA's 2021-2023 budget ([HB 5024](#))

The Oregon Health Authority (OHA) shall award up to \$5 million to community mental health programs, tribes, Regional Health Equity Coalitions, and other community grantees by September 1, 2021 for identifying community needs, assessing the feasibility and sustainability of potential projects, and other planning activities necessary to increase residential facility and housing capacity with a focus on reducing health inequities. OHA, in consultation with Oregon Housing and Community Services and OHA's advisory councils, including, but not limited to, the Oversight and Accountability Council, the Oregon Consumer Advisory Council and the System of Care Advisory Council, shall issue a Request for Proposals by December 31, 2021 and a recommendation for how to invest available funds for increasing culturally and linguistically appropriate residential treatment and housing capacity to the legislature by March 1, 2022.

This Regional Development and Innovation Initiative is being implemented in a phased approach to ensure an adequate balance between meeting the emergency needs for behavioral health residential services while also holding time and space for robust and targeted planning to ensure Oregon better addresses the needs of communities, especially those disproportionately impacted by health inequities.

This report outlines:

- OHA's community engagement during this process.
- The initial Request for Proposals (RPF) related to this initiative
- The community proposals received in response
- OHA's plans to issue additional RFPs, and
- Recommendations for use of available funds.

COMMUNITY ENGAGEMENT

At legislative direction, OHA is in ongoing consultation with Oregon Housing and Community Services (OHSC) and OHA's advisory councils including, but not limited to, the Oversight and Accountability Council, the Oregon Consumer Advisory Council and the System of Care Advisory Council.

In addition to those consultations, OHA has begun convening periodic webinar-format meetings with planning grantees and interested community partners.

OHA has heard feedback throughout this initiative that the workforce crisis will impact implementation and development of the needed residential capacity and housing. OHA expects that the substantial rate increases for providers in HB 5202 (2022) will better position Oregon for successful implementation of projects funded through this initiative.

INITIAL REQUEST FOR PROPOSAL AND COMMUNITY RESPONSE

In the Fall of 2021, OHA awarded the \$5 million in planning grants for identifying community needs, assessing the feasibility and sustainability of potential projects, and other planning activities necessary to increasing residential treatment facilities and homes, with a focus on reducing health inequities. These grants, amounting to up to \$50,000 each, were received by 104 to community mental health programs, tribes, Regional Health Equity Coalitions, and other community grantees.

Subsequently, OHA issued a Request for Proposals (RFP) on December 20, 2021, which closed on February 14, 2022. (RFP # 5340:

<https://oregonbuys.gov/bso/view/search/external/advancedSearchBid.xhtml?q=00001642¤tDocType=bids>)

This RFP was designed for “ready to go” projects which could be ready to admit residents within 12 months. It focused on the following groups of individuals, the first three of which are individuals ready to be discharged (or diverted) from the Oregon State Hospital:

- Aid and Assist: Individuals indicted for a crime and lacking fitness to proceed
- Psychiatric Security Review Board Jurisdiction: Individuals found “guilty except for insanity
- Civil Commitment: Individuals subject to a civil commitment order

- Children with “Severe Emotional Disturbance” (SED): Children and youth under the age of 18 with functional impairments, in need of psychiatric residential treatment services

To support prospective applicants and answer their questions on this initial RFP, OHA hosted two Pre-Proposal conferences, on January 12 and 14. The links to recordings for each are at:

- [RFP 5340 Pre-Proposal Conference #1 \(1-12-22\)](#)
- [RFP 5340 Pre-Proposal Conference #2 \(1-14-22\)](#)

The RFP closed on February 14, 2022. As of the writing of this report, the RFP bids have not been publicly released and are not final. Due to the confidentiality rules of the bid procurement process, only limited information can be provided here. In summary provided by the OHA Office of Contract and Procurement:

- A total of 12 proposals were submitted by 11 vendors for a total of \$14,525,267.74.
- 5 proposals were submitted for 141 beds for children’s facility or home:
 - 16 beds - Portland, Multnomah County
 - 32 beds – Canyonville, Douglas County
 - 12 beds – Eugene, Lane County
 - 60 beds – Corvallis, Benton County
 - 21 beds – Portland, Multnomah County
- 5 proposals were submitted for 47 beds for adults’ facility or home:
 - 16 beds – Central Point, Jackson County
 - 15 beds – Eugene, Lane County
 - 11 beds – Hillsboro, Washington
 - 5 beds – Portland, Multnomah County
- All the proposals were submitted by non-governmental entities.

ADDITIONAL REQUESTS FOR PROPOSALS

Feedback from community partners indicates that more of the original 104 planning grantees are strongly interested in applying for funds for residential facilities and housing for people with behavioral health service needs through the Regional Development and Innovation Initiative, but were not ready to respond to the initial RFP.

Thus, OHA intends to issues at least two more RFPs. A tentative timeline is:

- April 30, 2022: Follow-up solicitation for development of licensed residential programs where longer time horizons are needed to secure property, build or remodel facilities, hire/train staff, and start-up new programs.
- May through August 2022: Follow-up to regional planning grantees to solicit or operationalize housing and supports identified by grantees and community partners.

OHA will continue to engage community partners, including consultations and informational community meetings, throughout this process. The subsequent RFPs will also be informed by progress reports provided by grantees.

ACCESSIBILITY

To receive a copy of this report, please email: Ladonna.Lofland@dhsoha.state.or.us

This report will also be available at: **Link to be added when available**

Document accessibility: For individuals with disabilities or individuals who speak a language other than English, OHA can provide information in alternate formats such as translations, large print, or braille. Contact the OHA Communications Unit at 1-971-673-2411, 711 TTY or COVID19.LanguageAccess@dhsoha.state.or.us.