

# Mental Health System Solutions for Oregon

## Assets

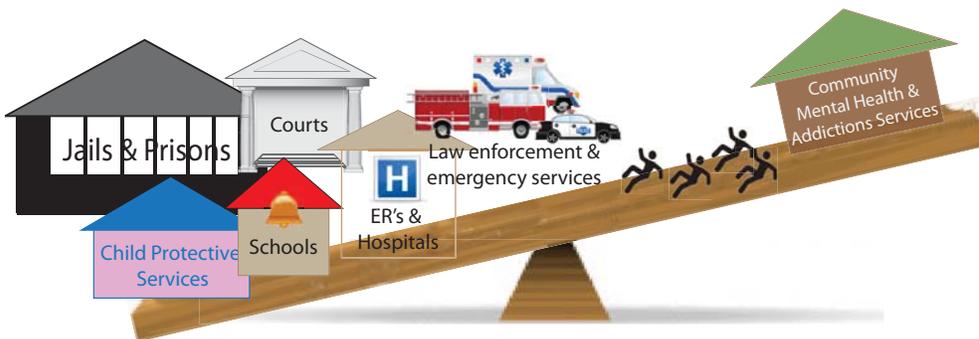
- Cutting-edge data and management systems are **increasing productivity and saving public dollars** across the nation. Oregon's community programs are now leading the way with the assistance of the National Council and national financial experts, Dale Jarvis and David Lloyd.
- Our **county-based system adds money** to the state's investment in mental health services with millions of dollars in local and federal grants, in-kind contributions and local interagency collaborations.

## Improvements Underway

- This year, mental health managed-care organizations (MHOs) will assume management of Oregon's adult residential treatment dollars from DHS. Based on their current success managing the children's system, we will cut waste through shorter hospital stays and then fewer hospital stays as savings are reinvested in lower-cost services proven to keep people out of the hospital altogether.
- Speeding up community placements of OSH patients who are ready for a lower level of care will save \$165-\$557 per person per day.<sup>1</sup> On any given day, 50 to 75 civilly-committed patients are ready and waiting to leave.<sup>2</sup>

## Options for Further Action - Doable Fixes at OSH and DHS

- Oregon could have saved \$7.6 million in 2009 alone by serving people committed for misdemeanors in community facilities instead of at OSH.<sup>3</sup> Similar policy changes to how we treat our forensic population could add up to big savings over the long term.
- Invest in proven, lower cost alternatives to the high-end mental health and addictions services we are relying on now.



**In 2009, underfunding of community mental health services left 54% of adults and 64% of children without needed care. Our community partners absorb the costs and consequences of not treating people. Since 2001, state investments have been focused primarily on people who DHS is mandated to treat due to civil or criminal justice involvement.<sup>4</sup> This is the most costly way to address these needs, in both dollars and lives.**



## Did you know?

Back in 1843, Oregon's Provisional Government established a county-based mental health system. Then in 1862, the state opened Oregon State Hospital (OSH) and by 1877 it accounted for 52% of the state's General Fund budget.

Today, the numbers of court-mandated or "forensic" patients at the Oregon State Hospital are driving costly and dangerous overcrowding and we face the threat of a take-over by the U.S. Department of Justice.

## Risks & Rewards

- **Untreated substance abuse cost Oregon \$5.93 billion** in lost earnings, avoidable medical care, and costs to law enforcement, criminal justice and child and family welfare in 2006.<sup>5</sup> Less than 25% of Oregonians who need addictions services receive them.<sup>6</sup>  
-but-
- Since it began in 2007, an Oregon program targeted to treat the addicted parents of children in foster care has so far saved nearly 1,000 children from the foster system and offset \$1.7 million per month in foster care costs.<sup>7</sup>
- People with psychiatric disabilities now constitute the largest and most rapidly expanding subgroup of Social Security beneficiaries.<sup>8</sup>  
-but-
- Oregon's evidence-based early psychosis intervention programs teach adolescents and their families how to manage the illness when it is first detected. These kids trade a future of pain and defeat for the hope and success that all young people should know.

1. Eastern Oregon Human Services Consortium. (November, 2010). *Level of Care Cost Comparison*.\* The Dalles, Oregon: Kevin M. Campbell.  
\*Source for Oregon State Hospital costs: Addictions & Mental Health Division Deputy Director, Madeline Olson, August 2010.
2. State of Oregon DHS - Office of Mental Health & Addictions Services. (February 28, 2006). *Oregon State Hospital Framework Master Plan Phase II Report*. Salem, Oregon: KMD Architects.
3. Governor's Reset Cabinet. *Report of the Reset Subcommittee on Health & Human Services, June 2010*. Office of the Governor, State of Oregon. <[http://governor.oregon.gov/Gov/docs/hhs\\_subcomreport\\_final.pdf](http://governor.oregon.gov/Gov/docs/hhs_subcomreport_final.pdf)>.
4. Oregon Addictions & Mental Health Division. (March 2009). *AMH Mental Health Services*. Salem, Oregon: Richard Harris, Bill Bouska, & Len Ray.
5. ECONorthwest. (January 14, 2008). *The Economic Costs of Alcohol and Drug Abuse in Oregon in 2006*. Portland, Oregon: Robert Whelan, Alec Josephson, & Jake Holcombe. <[www.econw.com](http://www.econw.com)>.
6. Oregon Addictions & Mental Health Division. (2008.) *Oregon Speaks: Community Addiction Services Investment Strategy*. Salem, Oregon: Karen Wheeler.  
<<http://www.oregon.gov/DHS/addiction/docs/addictions-strategic-plan.pdf>>.
7. Oregon Addictions & Mental Health Division. (June 2010). "Intensive Treatment and Recovery Services (ITRS)." Salem, Oregon: Therese Hutchins.
8. Drake, R.E., Skinner, J., Bond, G. & Goldman, H. (2009). Social Security And Mental Illness: Reducing Disability With Supported Employment *Health Affairs*, 28 (3): 761-770.