Substance Use Disorder Financial Analysis

Task Force on Alcohol Pricing and Addiction Services
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Samantha Byers, Adult Behavioral Health Director
Samantha DuPont, Behavioral Health Structures Analyst, CCBHC Program Administrator

Oregon Health Authority

BEHAVIORAL HEALTH DIVISION

Overview

- Study Background
- Financial Inventory
- Cost Estimates to Address Unmet Need
- Revenue Sources to Meet Need
- Key Takeaways and Next Steps

Study Background

HB 5006 (2021 Session)

- *OHA shall study the behavioral health structures for services provided through state agencies and whether the structure adequately meets the current needs of the state*
- *OHA shall analyze the cost required to meet projected unmet needs, current revenue sources, and additional revenue options*

Three core questions:

1. How are public dollars supporting substance use disorder (SUD) services and supports throughout the state?
2. How much will it cost to address unmet needs?
3. How can we finance unmet need equitably, effectively and efficiently?

Financial Inventory

Spending By Agency

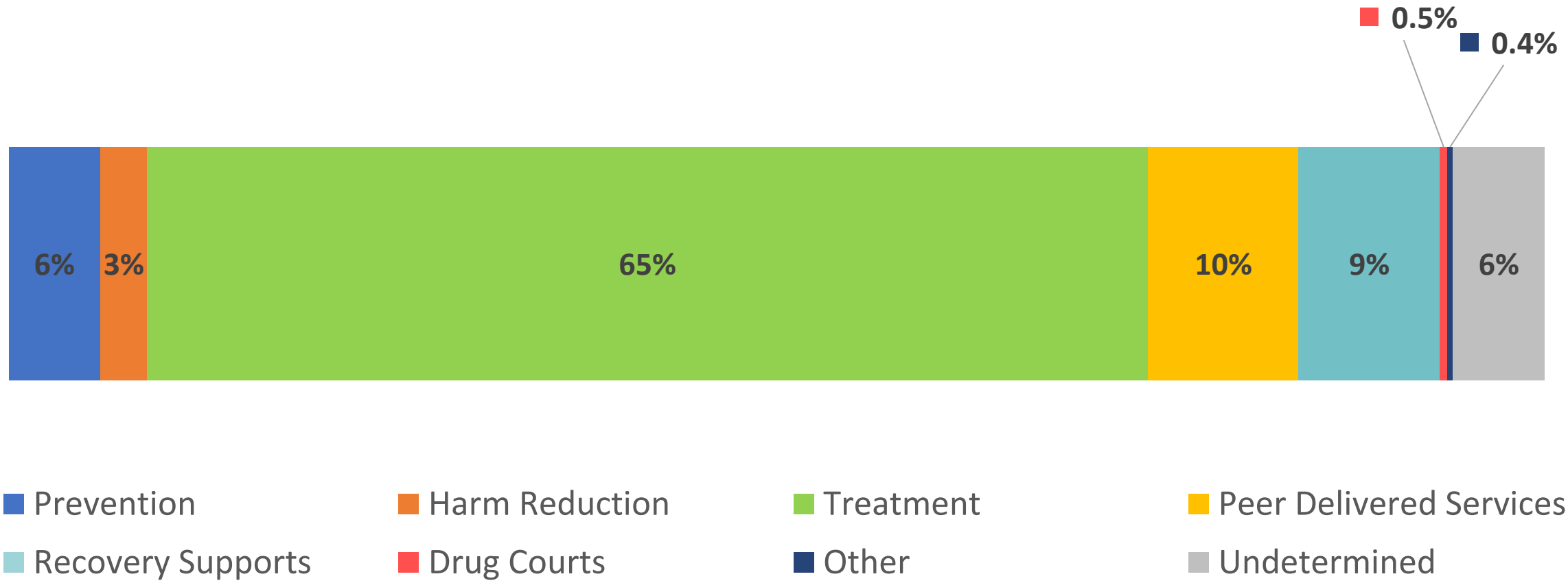
State Agency	Sum of SUD Spending
Oregon Health Authority: Medicaid	$562M
Oregon Health Authority: Behavioral Health Division (BHD)	$335M
Oregon Health Authority: Public Health Division (PHD)	$60M
Oregon Criminal Justice Commission	$20M
Oregon Department of Human Services	$10M
Oregon Department of Corrections	$7M
Oregon Judicial Department	$5M
Oregon Youth Authority	$<1M
Grand Total	**$1B**

Funding Sources

Over half of SUD expenditures supported with **federal funds**

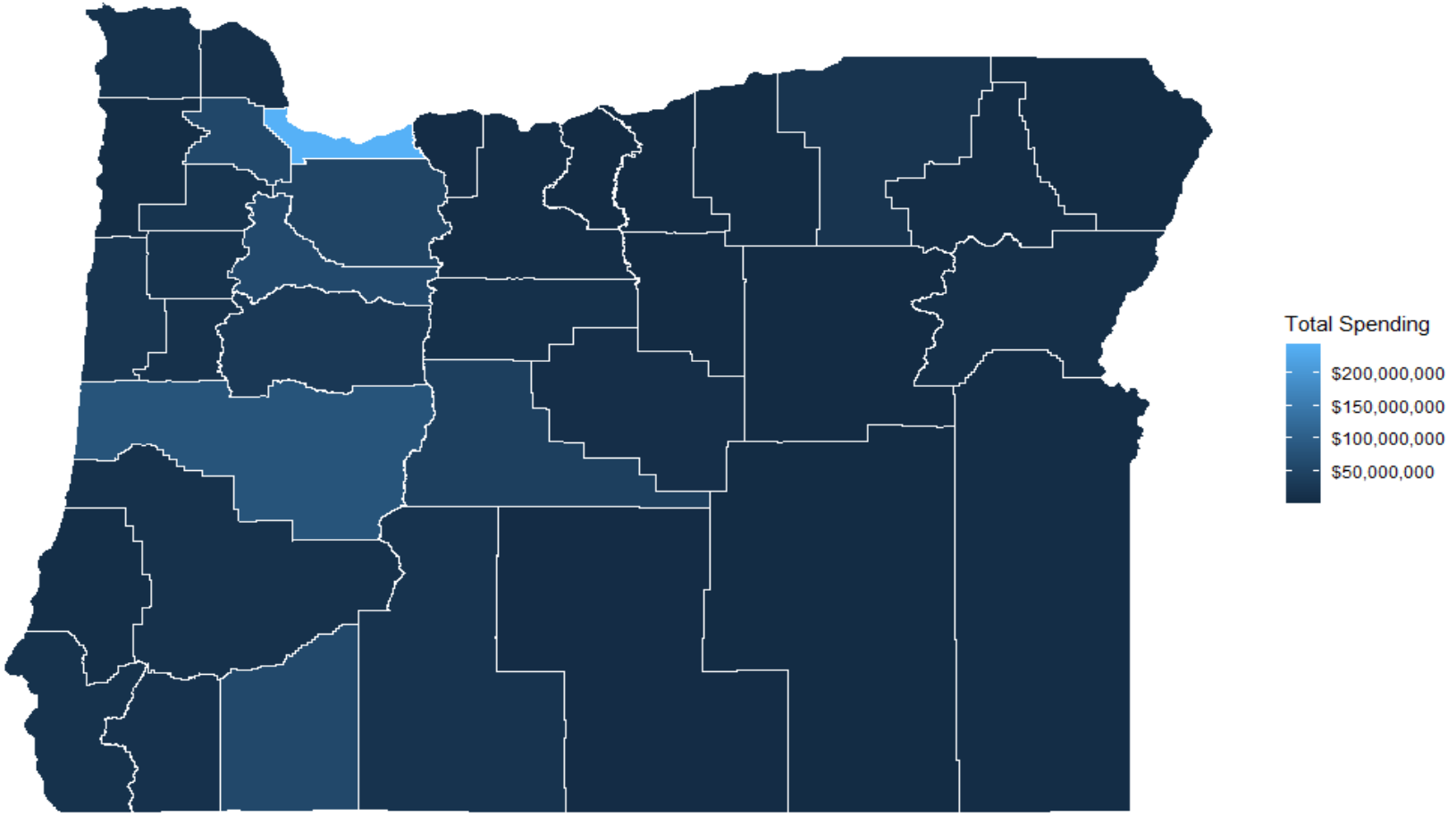
Federal Funds	**$564,487,917**
Medicaid – Federal Match	$472,182,162
SUPTRS Block Grant	$53,004,130
State Opioid Response	$21,513,580
Other Federal	$17,788,046
State Funds	**$435,352,902**
Marijuana	$221,658,933
Tobacco	$42,840,477
Alcohol	$13,271,179
Other State GF/OF	$157,582,313
Total	**$999,840,819**

Spending Across the Care Continuum



Spending by County

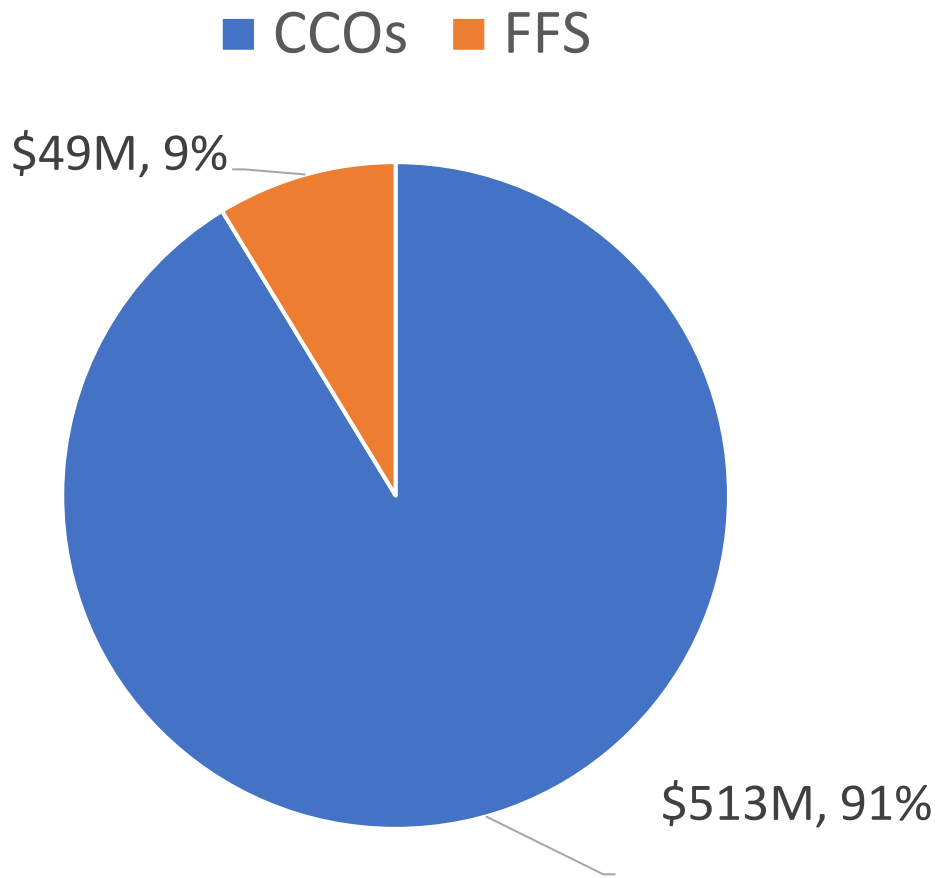
Total Expenditures	
TOP 5	
Multnomah	$243,136,363
Lane	$80,380,942
Marion	$58,450,108
Washington	$57,127,498
Jackson	$55,769,023
BOTTOM 5	
Morrow	$1,327,239
Grant	$1,012,350
Wheeler	$319,010
Sherman	$317,850
Gilliam	$247,079



Spending by Agency: OHA Medicaid

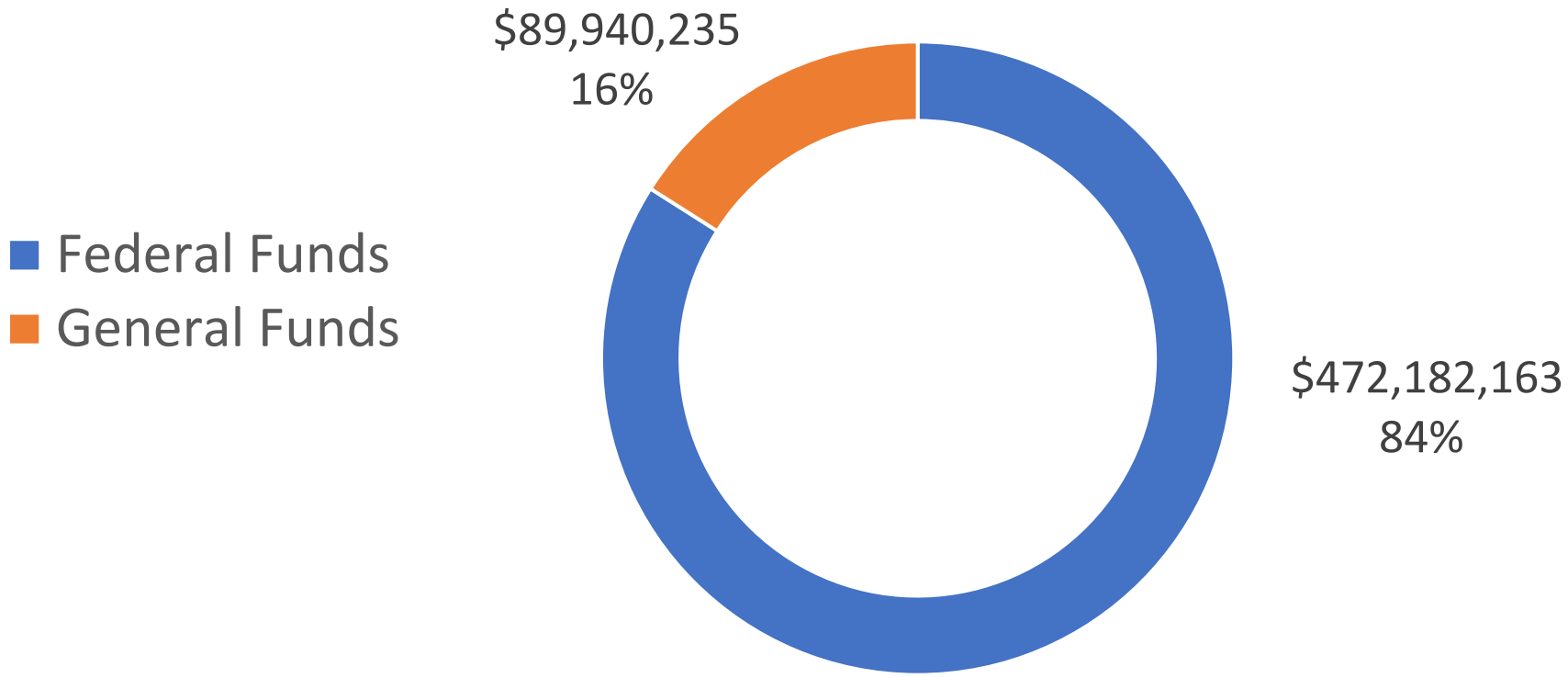
About 90 percent of Medicaid expenditures went to **coordinated care organizations (CCOs)** in the form of capitated (per member, per month) payments

Remainder of expenditures reflect direct **fee-for-service (FFS)** payments to providers



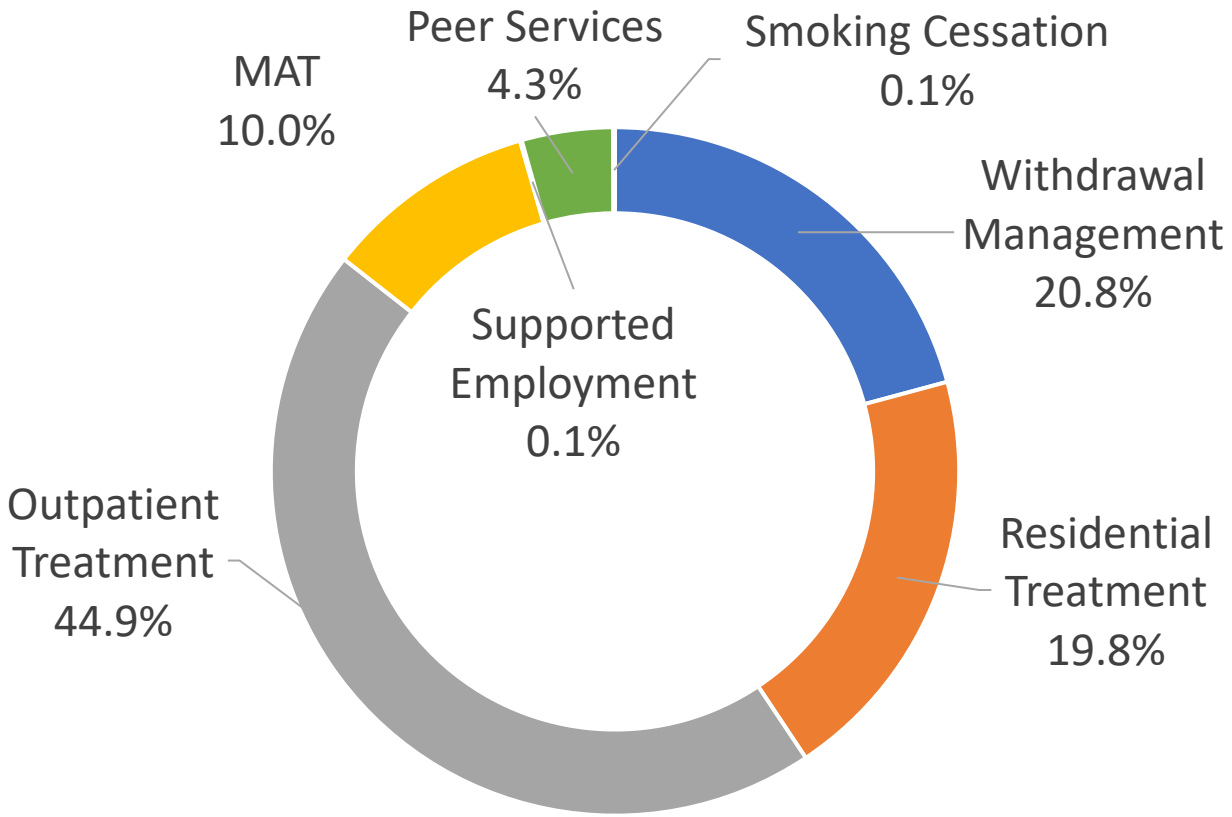
Spending by Agency: OHA Medicaid

Medicaid is heavily subsidized by the Federal government



Spending by Agency: OHA Medicaid

Vast majority of Medicaid spending on SUD goes towards treatment



Medicaid Spending: AUD as Primary Diagnosis

Service	Total Spend	AUD Total Spend	AUD Served as % of Total	AUD Spend as % of Total	AUD Per Capita - Total Per Capita (Difference)
Treatment					
Medically-Managed Withdrawal Management - Hospital	$33,038,603	$27,338,645	74.1%	83%	$1,197
Medically-Monitored Withdrawal Management - Non-Hospital	$69,186,263	$30,967,026	42.9%	45%	$242
Clinically-Managed Withdrawal Management	$89,900	$23,250	20.0%	26%	$878
Residential Treatment	$97,557,415	$28,727,191	33.8%	29%	($1,815)
Outpatient Treatment	$220,904,235	$69,533,983	38.8%	31%	($728)
MAT	$49,032,859	$633,144	2.2%	1%	($1,547.86)
Recovery Supports					
Supported Employment	$402,511	$23	0.3%	0%	($112)
Peer Services	$21,029,504	$7,092,647	34.3%	34%	($27)
Smoking Cessation	$463,722	$3,994	1.2%	1%	($7)
TOTAL	**$492,000,937**	**$164,319,903**		**33%**	

Spending by Agency: OHA BHD

Three major buckets:

- Community Mental Health Programs (CMHPs) - $76M
- Behavioral Health Resource Networks (BHRNs) - $199M
- Other Direct Grants and Contracts - $49M

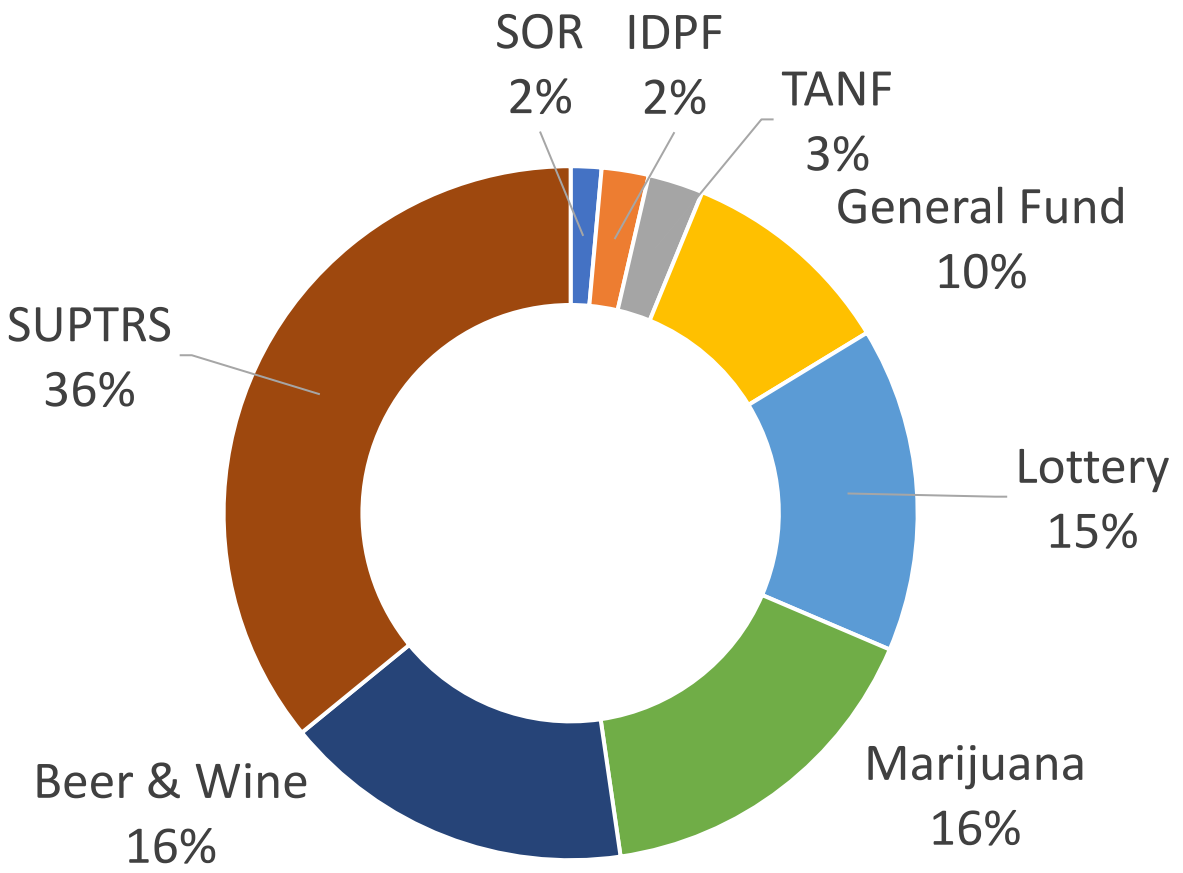
Community Mental Health Programs (CMHPs)

- **CMHPs** operate as the **behavioral health safety net** in all 36 counties in Oregon
- Funding distributed via County Financial Assistance Agreements
- CMHPs bill insurers, with CFAA funding supporting non-billable services and services for those who are underinsured or uninsured

CMHP Spending, by Service Element

Service Element	Total State	Total Federal	Total
Community Outpatient SUD Services	$19,021,853	$18,400,336	$37,422,188
SUD Residential	$6,810,360	$10,006,252	$16,816,612
Problem Gambling	$11,169,015		$11,169,015
Peer Delivered Services	$6,230,267		$6,230,267
Housing Assistance	$265,088	$1,746,377	$2,011,465
Intoxicated Driver Program Fund	$1,656,426		$1,656,426
Local Administration	$265,045		$265,045
TOTAL	**$45,418,054**	**$30,152,965**	**$75,571,019**

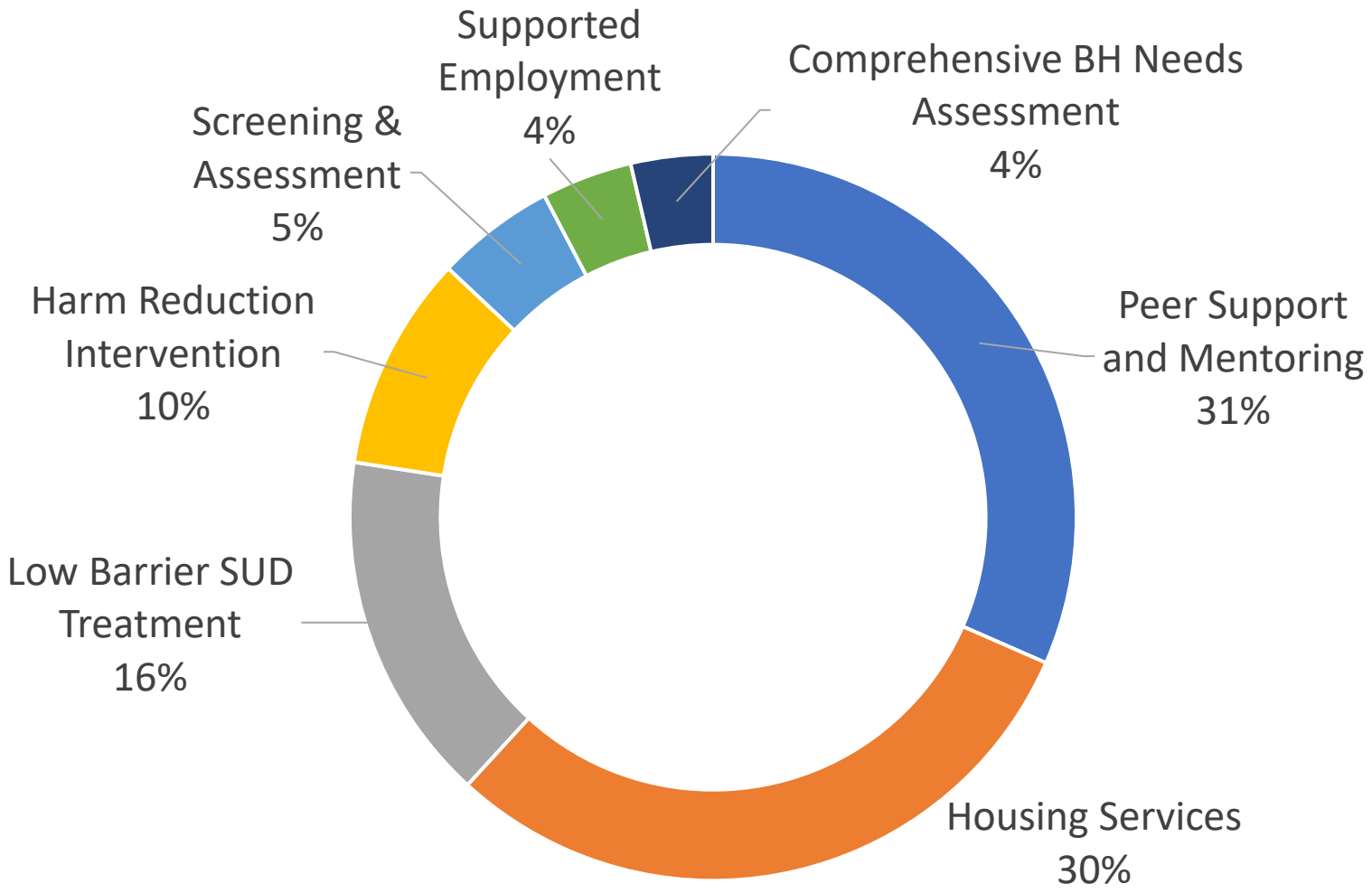
CMHP Blending and Braiding Revenue Sources



Behavioral Health Resource Networks (BHRNs)

- Marijuana revenue is set aside in the Drug Treatment and Recovery Services Fund
- Directed by the Oversight and Accountability Council, with grants administered by OHA BHD
- By rule, funds must be used for:
  - Screening and referral to services
  - Comprehensive behavioral health needs assessments
  - Peer delivered outreach, supports, mentoring and recovery services
  - Harm reduction services, information, and education
  - Low-barrier SUD treatment and addiction recovery services

BHRN Spending



OHA BHD: Direct Contracts and Grants

SUPTRS - $15.7M

- Awarded every 2 years
- Funding amount based on population vs. need
- Supplements, but does not supplant, state funds
- Flexible use, with some parameters: 20% prevention, 5% pregnant/parenting persons, no more than 5% on administrative activities
- Covers wide range of services, including recovery programs and workforce development

SOR - $20.4M

- Awarded every 2 years
- Grant priorities can change cycle to cycle
- Evidence-based programs and services for people at high-risk of opioid use disorders and stimulant use disorders
- Increase access to treatment and recovery services, strengthen overdose prevention and harm reduction resources, employ a comprehensive prevention services plan, and expand the SUD workforce in the state

OHA BHD: Other Notable Investments

Behavioral Health Residential and Housing Expansion ($230M: HB 5202, HB 5024)

- Residential and Supported/Supportive Housing for people with SMI
- $100M (HB 5202) expended in 2021-2023 biennium; about half ($47M) given to organizations that had at least one SUD- or COD-specific program in their grant applications; $130M (HB 5024) rolled out after FY 2023

Workforce Investments ($213M: HB 2949, HB 4079, HB 4004)

- HB 2949, HB 4079: American Rescue Plan Act (ARPA) funds allocated for supporting clinical supervision ($20M) and workforce development ($60M). $13M expended by FY 2023; includes some SUD-specific funds, such as CADC and CRM workforce development
- HB 4004: $133M in General Funds directly distributed to providers and organizations: increased compensation, retention bonuses, hiring bonuses

OHA Health Policy and Analytics

Workforce Investments

- Health Care Provider Incentive Program (HB 3261, 2017): $1.9M
  - 64 awards of loan repayment made to BH professionals, including but not limited to, SUD treatment professionals
- National Health Service Corps
  - 48 SUD professionals participated in loan repayment between FY 2021-2023

OHA Public Health Division

Alcohol and Drug Prevention and Education Program (ADPEP, $12.3M): mostly supported with federal funds (SUPTRS) for state programs and distribution to Counties, federally recognized Tribes, and some non-profit organizations, to prevent alcohol, tobacco and other drug use and associated impacts, across the lifespan.

Supports implementation of the Center for Substance Abuse Prevention's (CSAP) six strategies:

- Information Dissemination
- Problem Identification & Referral
- Community-Based Practices
- Prevention Education
- Alternative Social Settings
- Environmental & Policy Strategies

OHA Public Health Division

Overdose Prevention and Education Program (ODPEP, $2.3M): CDC Overdose Data to Action grant supports overdose mortality and morbidity surveillance and other data projects

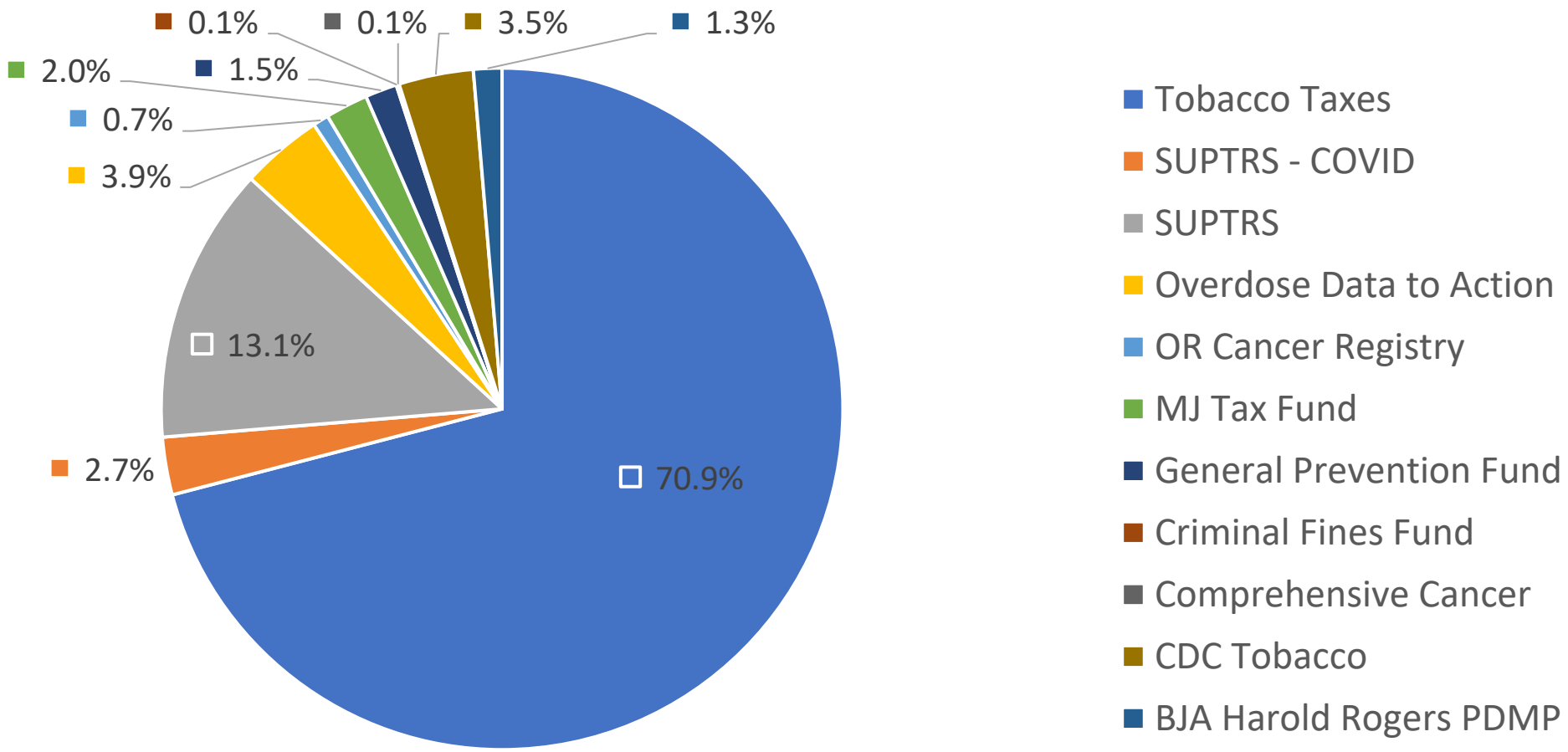
Tobacco Prevention and Education Program (TPEP, $45M)

- **Tobacco Taxes (BM108, BM44):** Comprehensive tobacco control, prevention and education program supporting data and evaluation, health communications, state and community programs, cessation supports, and grantee administration.

- **CDC:** Establishes, strengthens and maintain sufficient tobacco control program capacity in state health departments to achieve the four National Tobacco Control Program goals

Prescription Drug Monitoring Database (PDMP, $800K): Federal funding (Bureau of Justice Administration) to enhance Oregon's PDMP

OHA Public Health: Funding Sources



Cost Estimates to Address Unmet Need

School-Based Primary Prevention

Need identified: State and local infrastructure to implement culturally-relevant SUD prevention strategy and programs, support inter-agency and organization collaboration, develop program/practice tools to districts

Cost Component	ODE Hub Staff Salary 4.50 FTE	ESD Costs 19 1.0 FTE	Contracts	Total
School-Based Primary Prevention (Division 22)	$435,786	$3,044,693	N/A	$3,480,479
Supplemental Curricula – Opioids (SB 238)	$174,314	N/A	N/A	$174,314
Tribal/Shared History (SB 13)	$174,314	$800,000	$1,000,000	$1,974,314
TOTAL	**$784,413**	**$3,844,693**	**$1,000,000**	**$5,629,106**

Community-Based Primary Prevention

Funding for **comprehensive, poly-substance use prevention program**: tobacco, alcohol and other drugs (including overdose prevention)

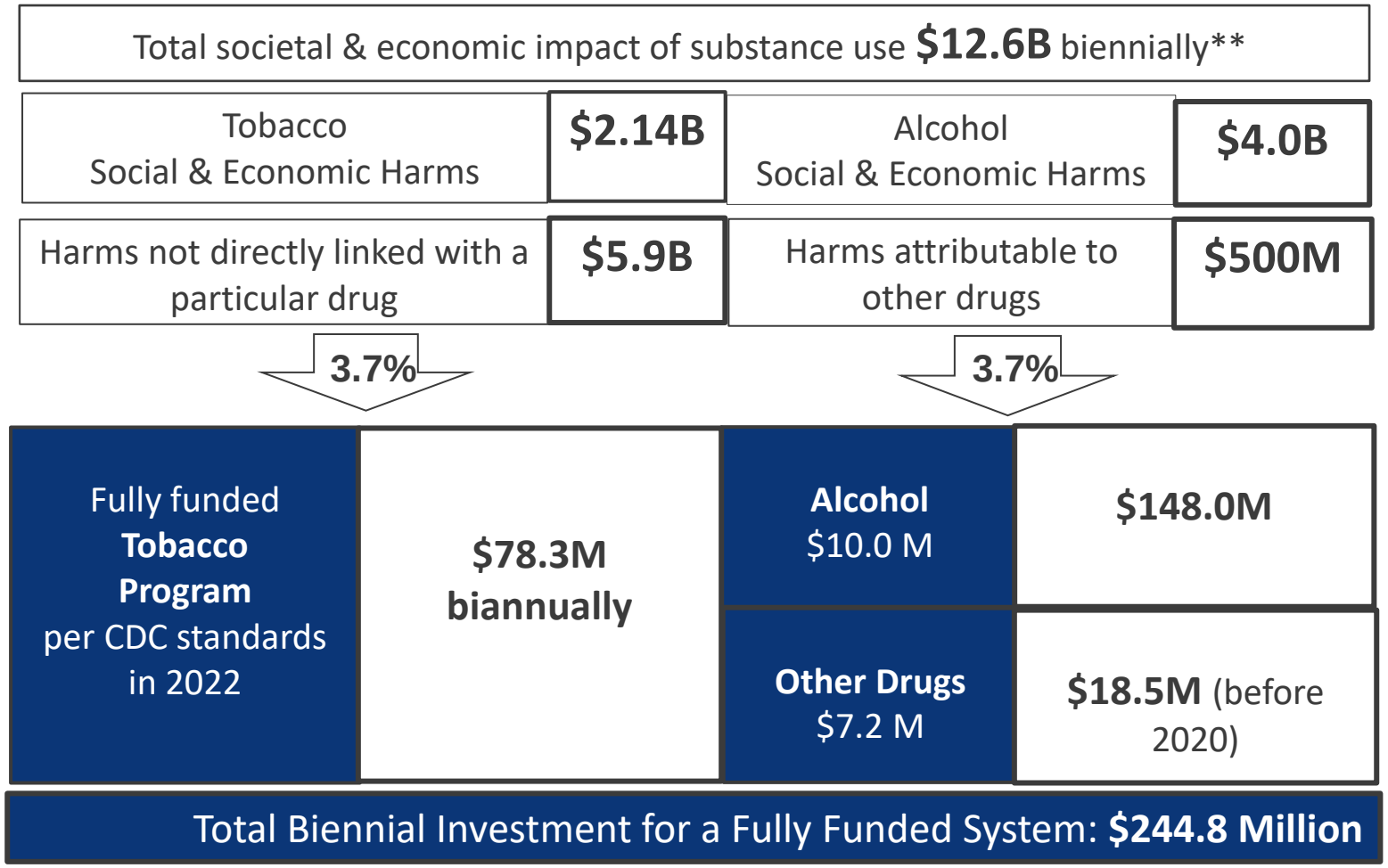
Modelled after **Tobacco Prevention and Education Program (TPEP)**

- In 2022, Oregon TPEP was one of two states in the nation that CDC considered comprehensive and fully-funded across five core elements:
  - State and community interventions – 70%
  - Mass-reach health communications - 7%
  - Linkages to treatment, health systems and recovery supports- 5%
  - Data and evaluation - 6%
  - Infrastructure, administration, and management - 12%

Economic burden of tobacco, alcohol, and other drugs informs funding targets

Substance Use Primary Prevention Gaps Analysis

Calculating gap proportionate to social and economic harms



**Oregon Alcohol Drug Policy Commission (ADPC) Strategic Plan / CASA Shovelling Up Study

Full-Service Harm Reduction Programs: Gaps

CAST Harm Reduction Gap Estimates, 2022 OHSU-PSU SPH SUD Gap Analysis

Program Type	Need	Actual	Gap
Facilities with fentanyl test strip distribution	127	83	**44**
Facilities with naloxone distribution	334	240	**94**
Syringe exchange programs	106	45	**61**

CAST Syringe Exchange Program Gap Estimate, Adjusted with 2024 Supply

Program Type	Need	Actual (2024 level)	Gap
Syringe exchange programs	106	50	56

Full-Service Harm Reduction Programs: Costs

Program Component	Each – Min	Each – Max	56 Programs – Min	56 Programs - Max
Total Start-Up Costs	**$35,721**	**$103,339**	**$2,000,363**	**$5,787,002**
Mobile	$6,690	$24,132	$374,640	$1,351,392
Fixed Location	$29,031	$79,207	$1,625,736	$4,435,592
Total Ongoing Costs	**$372,858**	**$2,701,517**	**$20,880,039**	**$151,284,951**
Personnel Costs	$256,855	$680,009	$14,383,880	$38,080,504
Operational Costs	$23,296	$274,895	$1,304,576	$15,394,120
Prevention Services Costs	$82,791	$1,575,775	$4,636,296	$88,243,400
Onsite Medical and Testing Services Costs	$9,916	$170,838	$555,296	$9,566,928
Total Costs	**$408,579**	**$2,804,856**	**$22,880,402**	**$157,071,953**
			Average	**$89,976,177**

Opioid Treatment Programs: Gaps

Opioid Treatment Program Location Type	Need	Actual	Gap	Counties with Gap
Mobile Medication Unit: a mobile satellite of a full-service unit or a non-mobile unit where the medication-assisted treatment component of the OTP framework is delivered	32	2	30	26
Non-Mobile Medication Unit: a fixed location satellite of a full-service unit where the medication-assisted treatment component of the OTP treatment framework is delivered	19	2	17	16
Full-Service Unit: an OTP program location where all other required OTP services are offered alongside the medication-assisted treatment component	32	27	5	5
TOTAL	83	31	52	

Opioid Treatment Programs: Costs

Location Type	Each – Min	Each – Max	Gap	Total – Min	Total – Max
Mobile Medication Unit	$150,000	$350,000	30	$4,500,000	$10,500,000
Non-Mobile Medication Unit	$250,000	$500,000	17	$4,250,000	$8,500,000
Full-Service Unit	$600,000	$1,100,000	5	$3,000,000	$5,500,000
Total			52	$11,750,000	$24,500,000
Average Total					**$18,125,000**

SUD Facilities: CAST-Derived Gaps

Facility Type	Gap	Source
Outpatient	203	2022 Gap Analysis
Residential	81	PCG Residential+ Study
Withdrawal Management	41	PCG Residential+ Study
Recovery Residences	351	2022 Gap Analysis, Converted to Facilities
Recovery Community Centers	137	2022 Gap Analysis

SUD Facilities: Capital Construction Costs

Program Type	Assumptions	Cost Range	Statewide Average	Total Cost
Outpatient	6,000 sq ft medical office building	$1,819,387 - $2,049,822	$1,963,014	**$398,491,925**
SUD Residential	29 beds, 2-3 stories, 14,181 sq ft hospital building	$6,791,737 - $7,771,059	$7,343,864	**$596,878,902**
Withdrawal Management	14 beds, 2-3 stories, 6,664 sq ft hospital building	$3,930,764 - $4,511,210	$4,262,916	**$173,866,070**
Recovery Residences	11 beds, 7,216 sq ft (656 sq/per person) home	$977,188 - $1,070,254	$1,018,551	**$357,511,245**
Recovery Community Centers	3,400 sq ft building	$878,828 - $988,877	$957,453	**$131,171,050**
TOTAL				**$1,657,919,192**

SUD Workforce: Overview

Two approaches

1. Costs to educate, train, certify and supervise new SUD workers
2. Costs to employ needed workers

SUD Workforce Gaps: CAST Estimates

Position	Need	Actual	Gap
Certified Prevention Specialists	968	62	906
Certified Alcohol and Drug Counselors	4,902	2,884	2,018
Certified Recovery Mentors	2,177	1,565	612
Qualified Mental Health Associates	20,493	2,776	17,717
Qualified Mental Health Professionals	12,619	879	11,740

Buprenorphine Prescriber Gaps

- X-Waiver eliminated in Consolidated Appropriations Act of 2023
- PDMP used data to identify real-world prescribing rates, by NSDUH region

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	TOTAL
X-Waiver Prescribers	701	315	434	250	84	118	1,902
PDMP Prescribers	810	513	734	368	155	172	2,752
Need	763	917	1192	534	228	222	3,857
X-Waiver Prescriber Gap	62	602	758	284	144	104	1,955
PDMP Prescriber Gap	**-47**	**404**	**458**	**166**	**73**	**50**	**1,104**

Gap may be driven more by willingness to prescribe and other factors, rather than absolute shortages

SUD Workforce: Costs of Building the Pipeline

Position	Education	Training, Supervision & Certification	Total
Certified Prevention Specialists	N/A	$2,554,572	$2,554,572
Certified Alcohol and Drug Counselors	$90,890,720	$10,480,374	$101,371,094
Certified Recovery Mentors	N/A	$734,400	$734,400
Qualified Mental Health Associates	$797,973,680	$37,621,096	$835,594,776
Qualified Mental Health Professionals	$800,057,520	$24,929,258	$824,986,778
TOTAL	**$1,688,921,920**	**$76,319,700**	**$1,765,241,620**

SUD Workforce: Total Costs of Employment

Cost Component	CPS	CADC	CRM	QMHA	QMHP
Annual Salary	$69,004	$54,076	$44,344	$51,722	$74,642
Benefits	$20,287	$15,898	$13,037	$15,206	$21,945
Total Wages	$89,291	$69,974	$57,381	$66,929	$96,587
Administrative + Program Support	$21,430	$16,794	$13,771	$16,063	$23,181
Total Cost Per Position	$110,721	$86,767	$71,152	$82,992	$119,767
Number of Positions Needed	906	2,018	612	17,717	11,740
Total Annual cost for all Positions	$100,313,156	$175,096,702	$43,545,300	$1,470,360,869	$1,406,069,182
				Total	**$3,195,385,208**

SUD Workforce: Wages

Position	Glassdoor Median Annual Wage	OCBH "Good Enough" Annual Wage	MHACBO Survey Annual Wage Adjusted to 2023
CPS	$58,000	-	$68,461
CADC	$58,000	$55,682	$53,650
CRM	$42,000	$44,470	$43,995
QMHA	$54,000	$53,498	$51,315
QMHP	$61,000	$59,072	$74,054

Total Cost Estimates to Address Unmet Need

Cost Component	Total
School-Based Primary Prevention	$5,471,747
Community-Based Primary Prevention	$122,840,000
Harm Reduction Programs	$89,976,177
Opioid Treatment Programs	$18,125,000
Outpatient Facilities	$398,491,925
Recovery Residences	$357,511,245
Recovery Community Centers	$131,171,050
Residential Treatment	$596,878,902
Withdrawal Management	$173,866,070
Employing Needed Workers	$3,195,385,208
Educating, Training, Certifying Needed Workers	$1,765,241,619
TOTAL	**$6,854,958,943**

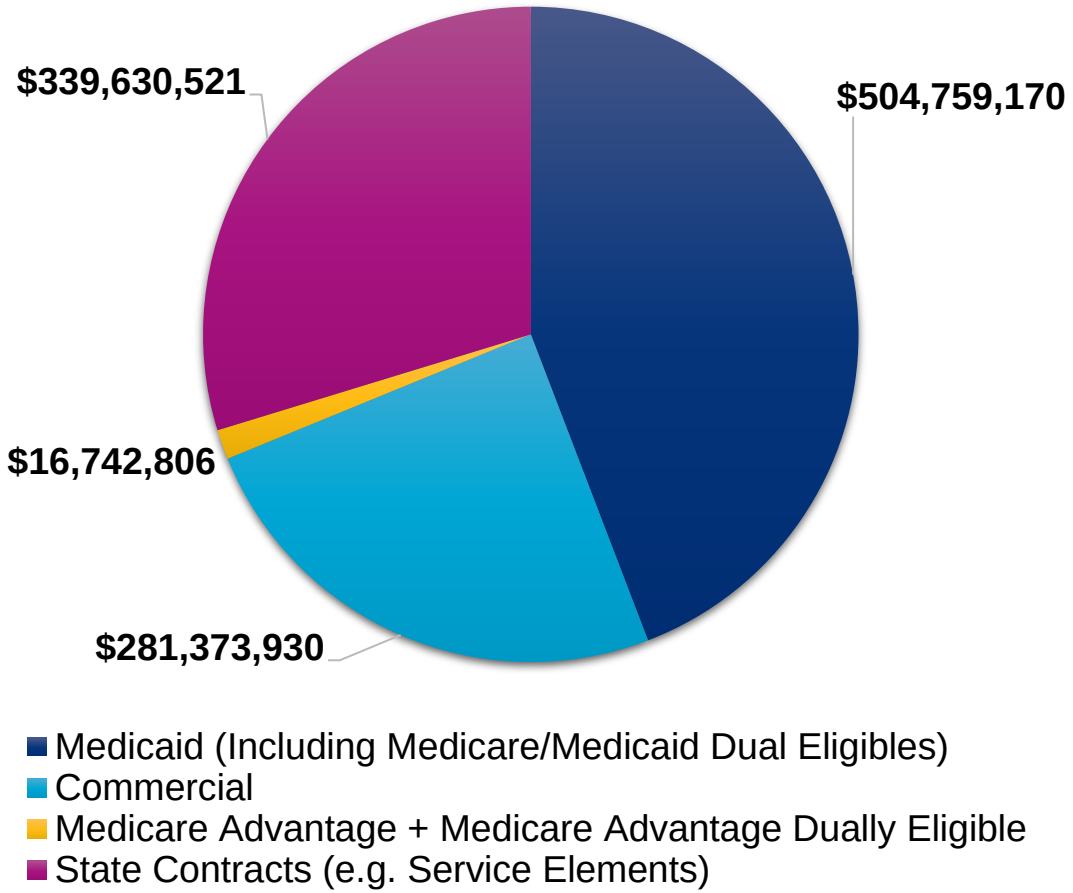
Public Cost Burden

Cost estimates reflect total “costs to the system” – ***so how would public resources factor in?***

Policy choices: recent investments

- Education, training, certification and supervision
- Rate increases and directed payments in Medicaid
- Funding for capital construction and facility expansion
- Prevention funding

Public Cost share of BH Services, 2022



Revenue Sources to Meet Need

Maximizing Existing Revenue Sources

Cross-agency collaboration to invest resources more equitably, efficiently and effectively

Equity

- Include community and voices of lived experience in BH financing strategy
- Direct resources towards those who experience greatest inequities
- Support culturally-specific providers and grantees: equitable funding practices, reducing admin burden, spread awareness of opportunities

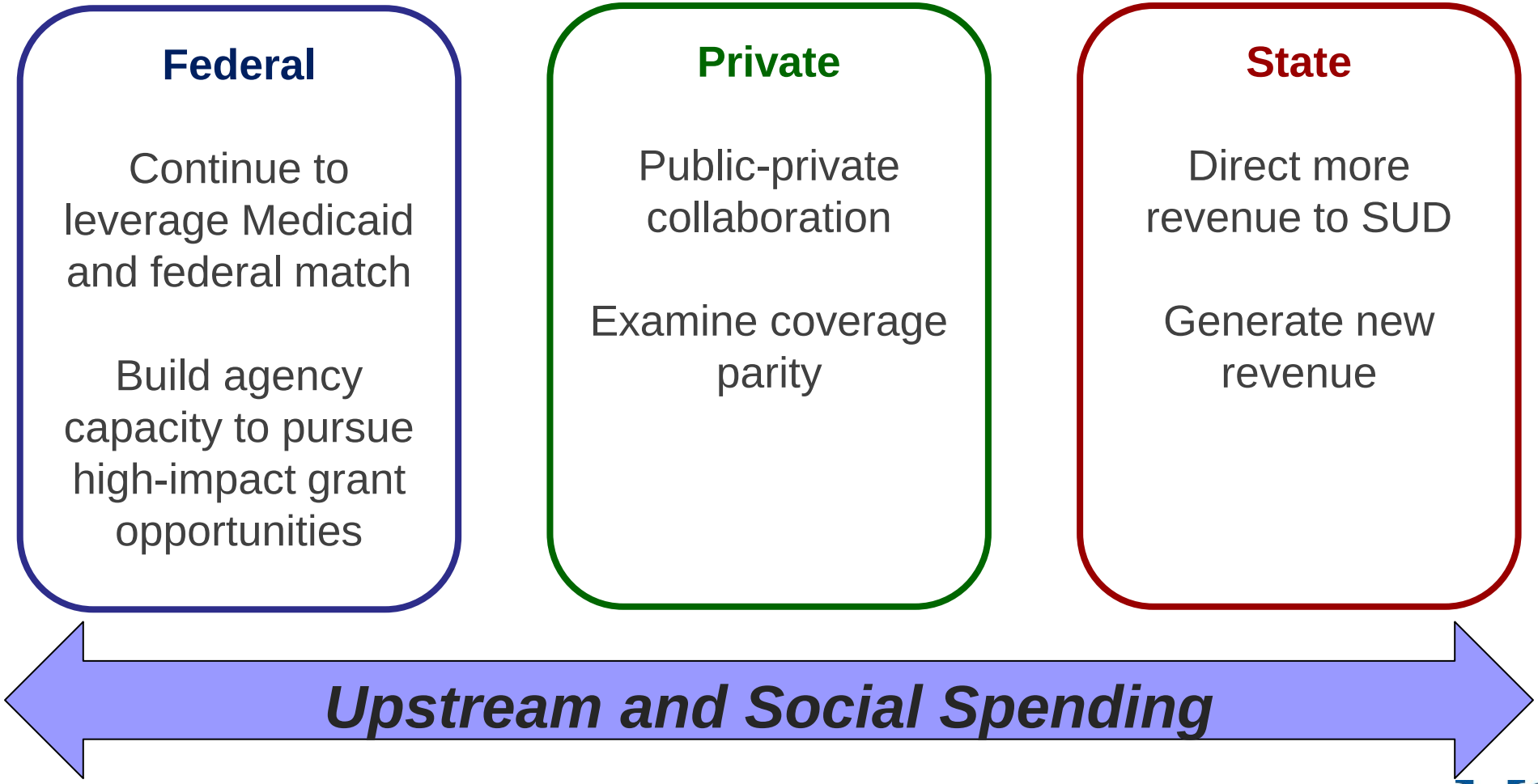
Effectiveness

- Standardize and track data and outcomes
- Adequate funding for research and evaluation

Efficiency

- Inter-agency collaboration to align funding and strategy, pool resources
- Examine impact of blending/braiding funding
- Reduce administrative burden on grantees

New Revenue Sources



Key Takeaways and Next Steps

Takeaways

- First-ever look at spending across the continuum
- Behavioral health financing is highly complex; how we finance care drives system fragmentation
- Additional funding is necessary, but not sufficient; policy and program changes can drive efficiency and improve quality
- Foundational information on costs will help drive investment decisions

Next Steps

- Additional research on workforce; integration of findings into workforce strategy
- Partner mapping to better understand flow of dollars throughout the system

Thank You!