Subjects Heard: Mental Health and Developmental Disability Services

SENATE COMMITTEE ON HUMAN RESOURCES

Wednesday January 23, 1991 Hearing Room A 3 p.m. Tapes 4 - C
MEMBERS PRESENT:Sen. Bill McCoy, Chair Sen. Cliff Trow, Vice-Chair
Sen. Shirley Gold Sen. Bill Kennemer MEMBER EXCUSED: Sen. Paul
Phillips STAFF PRESENT: Janice J. Fiegener, Administrator Mike
Meriwether, Researcher Michael Sims, Assistant

WITNESSES: Richard Lippincott, Administrator, Oregon Mental Health
and Developmental Disabilities Services Division (MHDDSD) James Toews,
Assistant Administrator for Developmental Disabilities Barry Kast,
Assistant Administrator, MHDDSD Mike Lincicum, Deputy Administrator,
MHDDSD Ella Johnson, Executive Director, Mental Health Association of
Oregon (MHAO) Muriel Goldman, Chair, MHAO Children's Committee Arlene
Wood, Vice President, Oregon Alliance of Advocates for the Mentally Ill
Larry Spurlock, President, Oregon Consumers Network Inc. Jeff Davis,
Legislative Director, Oregon Community Mental Health Program Directors
Association June Dunn, President, Oregon Community Mental Health
Providers Neil V. Carroll, President, Residential Providers Association
of Oregon (RPAO) Janna Starr, Executive Director, Association for
Retarded Citizens (ARC) of Oregon Tim Rocak, Oregon Rehabilitation
Association (ORA)

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proceedings, please refer to the tapes. Senate Committee on llu~nan
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TAPE 4, SIDE A

003 CHAIR McCOY: Calls the meeting to order at 3:08 p.m.
010 RICHARD LIPPINCOTT, ADMINISTRATOR, MENTAL HEALTH AND
DEVELOPMENTAL DISABILITIES SERVICES DIVISION (EXHIBIT A): Details the
Division's 1991-93 Program and Budget Summary (Exhibit A).

120 SEN. GOLD: How will the forensic-ward closure at the Oregon State
Hospital affect persons? 131 LIPPINCOTT: Those individuals either
have been or will be transferred to other wards in the Forensic Building
or placed in the community under our present BSRB program. That ward
needed to be closed because in order to do the restoration of the
building, we have to do it floor by floor. That had already been in the
planning stage. This reduction or savings impacts us because it will
stay closed longer than we had previously planned; we had not planned to
keep it closed through the entire biennium but it will be so.
142 SEN. GOLD: So for those individuals that may transferred to the
community, what happens in terms of the cost that would be incurred by
the community? 145 LIPPINCOTT: Costs for those individuals that would
be transferred to the communities were included in the budget for the
previous (1989-91) biennium. Those programs are, if not fully operating,
in the advanced-placement stage. We had been planning to restore Eola
Hall for a number of years and the 1989 Legislature appropriated the
capital to do it. This is a phase in which we are simply keeping that
ward closed a little longer than we would have ordinarily. So the impact
actually comes in lowering the licensed capacity of the Forensic
Building by a few clients. 156 SEN. KENNEMER: I understood Senator

Gold's question to be in the larger scope?

158 SEN. GOLD: Yes.

159 SEN. KENNEMER: I think what we're in the process of doing is scaling back mental-health services in Oregon very substantially, and our general policy has been to serve only the most needy in that population. And a substantial number of these people are going to be bumped, and there will be people moved from their current levels of care. This bumping process will continue downward so that at the bottom of the system, community mental-health centers are overloaded and those people will not receive services. That's essentially the process that I think is going to occur as a result of this. 171LIPPINCOTT: That's essentially correct. The less-acute individuals will be placed in the community and in residences, or will be bumped down. So the real problem will be in terms of access and limited response at the end of this period. 176 SEN. KENNEMER: There will be more untreated individuals in the community in need of services; that's the net effect. 179SEN. TROW: Part of the effect may be that the less acute, with treatment, could lead productive

lives. Without treatment, they may not be able to lead such productive lives.

181 LIPPINCOTT: To some extent, that is true. Some of the individuals are very stabilized and will need some form of support, management and medication for long periods of time. But they may not need hospital-level care. The basic issue is that we will not be able to serve as many people as we serve now; the problem will be in accessing and in limiting access to services. And as you all know, we presently only serve about 60% of the targeted individuals in the state. So this will add to a pool of unserved people and will, implicitly, indicate that the more acute and more serious representations of symptoms will get served. The folks who are not as acute will probably not get service. , -Continues testimony.

232 CHAIR McCOY: The community-support facilities are there, in Eastern Oregon? 234 LIPPINCOTT: Yes. We would be closing one adult unit at the Eastern Oregon Psychiatric Center in Pendleton and replacing it with a geropsychiatric unit to house Eastern Oregon residents who would be transferred to Pendleton from the state hospital in Salem.

-Continues testimony. 257 SEN. GOLD: Could you describe a typical early-intervention program as is offered now?

261 JAMES TOEWS, ASSISTANT ADMINISTRATOR FOR DEVELOPMENTAL DISABILITIES, MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES SERVICES DIVISION: Children served in early-intervention programs are served as the result of programs mandated by the 1983 Legislature. By state law and, consequently by rule, we serve only the most severely-disabled kids. There are some children with moderate and mild disabilities whom we don't serve. So the approximately 2,200 kids currency receiving services are all kids with severe retardation, cerebral palsy, autism, severe hearing or vision loss, etc. We give a lot of flexibility to

local communities and how they design their programs. But the core components for kids through age 2 are a lot of family intervention and in-home support, combined with therapy. People actually go into the home to provide training, cues and hints to the parents on how to stimulate the child. In some cases, parents and infants come into a center once a week for various kinds of therapy services. As the child reaches 2 to 3 years of age, s/he actually go to a toddler or pre-school program. In some cases, the programs are self-contained; they are attached to schools. In other cases, they're part of day-care centers and local community programs. Basically, the program is geared toward all areas of development - cognitive and motor development, and lots of hands-on work with these particular kids. So the vast majority of these kids are not mildly disabled, they have substantial disabilities. 288SEN. GOLD: And the objective of the program is to mainstream the children, get them into normal school programs when they're of age? 293 TOEWS: The objectives of the program are to give the family support from the time the child

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is born, stabilize the family, provide support, give information and hope for the future, and provide them with techniques and technology to reduce and mitigate the disability and its effects in every way possible. All the data we've collected in recent years, not just in Oregon but throughout the country, shows a substantial difference in kids as they get older, if they've had early-intervention services. And that data shows differences 10 years later between kids who had that early intervention and kids who didn't. It has a big impact on special education and the degree of intervention schools will have to do later. Based on our experience, that ripples down into their adult years as well.

314 SEN. GOLD: In terms of their employability? 315 TOEWS: In terms of employability and the ability to care for themselves, yes. 318 SEN. GOLD: So if, as projected, 2,140 kids and families lose that service, what do you see occurring? 323 TOEWS: It's a disaster, obviously. Based on the general-fund reduction and the Federal funds that we will lose under these sets of circumstances - because we won't be able to comply with the Federal mandate - for an overall 45% reduction in funds; we have two choices. Those are either to discontinue about half the kids we serve or absolutely thin the soup out to the point where each child and/or family gets very little service at all. And we're not quite sure which way to go with that. The funds that are left are, basically, funds that were put on top of Basic School Support as the educational contribution to this program. Assuming, at the beginning, that it was a match of state general funds from our division, Basic School Support and the Federal funds, at some point if we go ahead with these cuts we'll have to alter the current state statute and the formula for distribution through Basic School Support. But I can't give you a good answer other than to say it will have a profound impact. 343 SEN. GOLD: I do understand that Federal funds are lost through our not going forward with programs. Do you have any idea what to do in order to maintain the current program? I have an idea that if we don't go forward with this full new program, the Feds expect that in order to maintain the current program we would have to come up with state funds beyond the $5.7 million. Do you have any idea what that might be? 357 TOEWS: In

addition to the $5.7 million, we'd lose an estimated $2. 1 million in our division in Chapter 1 funds from the Federal government. There's also some Chapter 1 funding lost to the regional programs, which serve another 200 kids with serious disabilities. It's probably a total of between $8 million and $8.5 million. 368LIPPINCOTT: Resumes testimony. 380 SEN. TROW: We would retain some corrections treatment in this proposal? 383 LIPPINCOTT: We've been fortunate to maintain our present level of services to the corrections system. 385 SEN. TROW: Does your program to isolate these people, or group them in a single area in the state hospital, add to the treatment success? Would that success be jeopardized by making this

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change? 391 LIPPINCOTT: We do bring them together. However, we have no research that indicates that the treatment success would change whether they receive treatment while on probation, or as part of their prison sentences as they approach their release dates. -Continues testimony. 439 CHAIR McCOY: You've had discussions with all the counties and, apparently, they've figured out ways to work out programs that will continue to serve the people? 444 LIPPINCOTT: Those discussions are going on. We did have a day and a half with the county program directors, during which many of the general issues were discussed. This $9. 1 million is modified by redistribution of the monies from the hospital to do some of the other things, and worked out to be about $4.8 million in actual service reductions for the community. 457 SEN. GOLD: Could we have a more in-depth discussion of a typical client, if there is such a thing? TAPE 5, SIDE A

018 BARRY KAST, ASSISTANT ADMINISTRATOR FOR MENTAL HEALTH SERVICES: We are taking a substantial reduction in this budget in services to mentally-ill adults, which will affect an estimated 5,000 people in the community. The cut we're looking at is disproportionately felt by people who have no entitlement program to protect them; people who would be eligible for Medicaid, for example. We're talking, largely, about people who are considered working poor or for a variety of reasons may have no eligibility for services in the Medicaid system. Many of them have such severe disabilities that their capacities to follow through on all of the procedures that are required to get them eligible for Medicaid can't be completed. Often, these will be unemployed and homeless. I've seen people living in very minimal housing with virtually little income support. That kind of individual would be very severely affected by this program. From the parts of our budget which include general funds for, match, included in the formula which generated the amount of money we had to cut, the people served in those programs won't be feeling the effects of this cut. 040SEN. GOLD: So what you describe will be relegated to local governments to work with, where you have some efforts begun as far as discussions. I believe in deinstitutionalization but have seen the state Legislature do that with nothing to take its place. I guess that's what is concerning me here. 051 KAST: You're right. I don't think we should deceive ourselves; there are people supported by the mental-health programs who will not be able to continue in service. There just won't be enough capacity to serve them. In some cases, they'll find their way into other systems of government. For example, we know there's a relationship between the corrections and mental health systems. As we scale back, the impact will be felt by local

law-enforcement officials and hospital emergency-rooms. Much of the care there already is uncompensated, as you know. I think the impact of that reduction means everybody else is going to feel the hurt, too. - These minutes contain materials which paraphrase and/or summarize statements made durin8 this ·e~ion. Only text enclosed in quotation rnarlu report a speaker's exact words. For complete contents of the proceedinga, please refer to the tapes. Senate Co~ntnittee on lluman Resources January 23, 1991. Page 6

062 SEN. TROW: The problem is that with every level of service affected by Measure 5, there's going to be no place for a lot of these people but the streets. . . 066 SEN. KENNEMER: I guess that's part of what concerns me, to go back to Senator Gold's comment - what this means is we're going to bump 5,000 people out into the streets because somebody falls out and they're going to be recovered in a lot of other ways. My other comment is that the Department of Human Resources is being hit quite hard with budget cuts and as I begin to grasp what's being done here, it looks to me as though the budget-cutters' ax and the major wrath has been taken out on mental health, as compared to other services. 086 MIKE LINCICUM, DEPUTY ADMINISTRATOR, MENTAL HEALTH AND DISABILITY SERVICES DIVISION: We don't have some of the Federal mandates and entitlement programs for our clients that other parts of the Human Resources Department have. In welfare reform, Adult and Family Services, in Senior Services, in Children's Services, much more of the budget is mandated by the Federal government and driven by matching Federal entitlement programs, and you can't get out of those programs without cutting all that Federal funding. A large portion of our budget, the portion that serves people with mental illness, is not matched by the Federal government and there is no entitlement program at the Federal level to serve these persons. So when we had to look at cutting general funds, the only place we could go in our budget without cutting off millions and millions of dollars of Federal matching funds, were in these services Even in our own budget, there are these disparities. We are increasing services to children at Fairview Training Center under the early and periodic screening and diagnosis program, by about $18 million. We're operating there under a Federal consent decree and Health Care Financing Administration (HCFA) scrutiny. We're taking a much lower level of cuts there; in fact, the thing that really saved us was the effectiveness of their staff in reducing their Workers Compensation costs. If they hadn't done that, we'd be facing even deeper cuts across the rest of our budget because we can't cut Fairview. We're caught in the middle between being the Department's largest general-fund component and the part of the Department with the least number of state or Federal mandates. 115 KAST: Not only are patients in our state hospitals not receiving Federally-mandated and reimbursed care, but are specifically excluded from reimbursement. These are very labor intensive settings with very high costs. So the state hospitals are taking a cut in the system of nearly 200 beds because of the large mass of general funds supporting those institutions.

122 SEN. KENNEMER: So, to clarify - the hit is so disproportionate because of fewer mandates in this area. And because the loss of Federal matching funds in this area is minimal. 126 KAST: That's correct. 127 SEN. GOLD: That takes me back to the Early Intervention Program - I know well that in order to do it, it would take $29 million in state funds to command the Federal funds for the future. By the same token, and I don't mean to pit one against the other, we've been putting money into Fairview interminably in my time. It appears that no matter what we do, the Feds aren't satisfied. In your considerations, have you looked at that? This Early Intervention thing is just a mere drop in the bucket

compared to what we have been forced to put into Fairview.

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143 LIPPINCOTT: We have looked into that. The process of being on the horns of the dilemma with regard to Fairview is about to end. Federal surveyors are there now and we have fairly good mid-survey reports. We believe we're nearly at the top of the mountain there; for us to reverse that process means approximately S100 million over the 1991-93 biennium. And that makes our $61 million reduction due to Measure 5 seem small in some ways. So we really are sensitive to this dilemma and feel that we must get completion of one program. And hopefully we can move on to Early Intervention restoration as rapidly as possible.

160 SEN. GOLD: It's going to get worse next biennium. 161 KAST: The other thing we need to add is that the issue at Fairview isn't just the Federal match. Even if we decided that we as a state could live with ourselves and run Fairview and provide services with approximately 37% of the dollars that we have there today, the fact is that we're under a Federal consent decree with the U.S. Department of Justice which requires us to do things and provide services independent of whether the Federal, HCFA Title XIX money is there or not. In fact, currently we seem to be having more success satisfying HCFA than satisfying the Justice Department. So there is no easy answer to this; what we're doing at Fairview now, we would be in contempt of federal court if we didn't do it.

176 SEN. GOLD: Is there the potential for litigation against us in the Early Intervention Program, insofar as cutting services or providing for only part of the population and not for the rest? Do you have some Federal statutes that may apply?

185 LIPPINCOTT: I'm not certain that we're vulnerable to litigation. There is a state statute that says we are required to provide these services, if resources are available. 189 SEN. GOLD: That's easy to get around.

190 KAST: It's unclear how vulnerable we might be. A Federal mandate which takes effect this coming fall says specifically that if a state does not opt into two parts of the Federal mandate one dealing with the age 0-2 population and one for the ages 3-5 population. Clearly, the 3to-5 population must be included in the state special-education statute. And 99% of the states have simply handed off the 3- to 5-year-olds to school districts. In Oregon, from the beginning we planned for that to be a state program because of the difficulties with local school-finance. But the penalties in the Federal statute are loss of Federal funds. Beyond that, it's unclear what legal issues emerge. If we don't comply, we'll be one of two or, at most, three states not complying. The question then will be, as Congress later this session reauthorizes the Act and sees only one or two non-compliant states, are they going to up the ante? I think that's a possibility, too. At this point, we have no case law because it's a new mandate and no previous litigation to look back on. 211 SEN. KENNEMER: To follow up on Senator Gold's questions about Fairview: Basically, we are at the mercy of the U.S. Department of Justice. There is no way to help them gain a more rational perspective on what would constitute responsible care of

these people. Is that pretty accurate? Because I think, as a professional judgement, we can say that some of the standards that they are setting are unreasonable. In my other life, I have a Ph.D. in psychology; I think that's a professional statement a good portion of my colleagues would be more than happy to back up. We have people in the justice system, who are not experts in mental health, who are - lilese minutes contain materials which paraphrase and/or surarnarize statements made during this session. Only text enclosed in quotalion rnarb report & speaker's exact words. For complete contents of the proce dings, please refer to the tapes. Senate Committee on Human Resources January 23, 1991- Page 8

creating arbitrary standards. However, I guess there is really no way to impact that system and I guess that's the unchecked part of government at this point, working on us. 227 LIPPINCOTT: Yes. We've taken the federal judge on a tour of Fairview. We continue to seek legal redress around some of the issues that you're talking about; that is, the concept that the constitutional standard for rights and care seems to move each time the Department of Justice experts come and visit us. So, at some point there may need to be a further legal exploration of all this at some time. I guess the reality is that while we believed we'd be able to manage all this with the consent decree when we signed it back in '89, the Federal government has gone around the consent decree, has continued to escalate its demands and, in fact, it does feel very difficult to stop their march toward a perfect system. We keep saying we're not the Stanford Medical Center. Medical experts that we have out there from the Oregon Health Sciences University and elsewhere indicate that we're providing health care at a level at or above the community standard. That's certainly above constitutional standards; it's hard to get that point across.

-Continues with testimony. 275 SEN. KENNEMER: Is it accurate that we save money at Dammasch State Hospital by losing our accreditation? Because we'll not be subject to reimbursement and Federal match; on the other hand, our standards will be so substantially lower? 281 LIPPINCOTT: There are two parts to my answer: -We have very few individuals at Dammasch that would fall under Title XIX or Medicare services, and we've not had HCFA certification there for a number of years, not because of staffing or quality of services but because of the physical plant. We were granted a $100,000 appropriation by the 1989 Legislature to do a Dammasch master plan, which is in its very final stages of completion. We'd hoped to move ahead with some parts of that plan; obviously, that's not on the drawing board at this moment.

-The accreditation of the joint commission is more an impact on the quality of professional staff that we're able to hire. And while we're concerned with that losing one ward, if we can manage there it would be touch-and-go rather than a certainty. But, there again, the physical plant is a much more vulnerable aspect of accreditation that the closure of one ward.

302 SEN. TROW: These cuts are really appalling. If the replacement isn't coming for the 1991-93 biennium, and you have to make even greater cuts, what happens? 308 LIPPINCOTT: Personally, it's been an agonizing reappraisal. We've done our absolute best to meet the needs of Measure 5. These cuts are all thought out; if, however, we take additional cuts in the next biennium I don not know how we can maintain any kind of accreditable system, especially on the mental health side. 323 SEN. TROW: I've been watching the newspapers and reading letters to the editor, and occasionally hearing comments on the radio in which

they say that dollar for dollar, state government has more money than last time. And they ask, why is it that you have to make these

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cuts and isn't this all a sham? What do you say to that? 329 LIPPINCOTT: Our continuing-level budget, which was $43 1 million, does contain some cost- of living. In addition, there were some programs that the 1989 Legislature allowed us to phase in. Those programs are very near and dear to our heart, of trying to build a respected mental-health system. Much of it has to do with the regional acute in-patient units, three of which are nearing completion - in Medford, in Lane County and in downtown Portland. Those were phased in, so some had 12 months and some had 9 months. When you roll those phased in up to a whole biennium, it makes the continuing level look like there's a huge expansion. My reply is that we find the acute in-patient units are certainly serving the purpose that they were designed for. We're slowly gaining census control; for example, the Medford unit has been a wonderful experience for Southern Oregon individuals and is serving its stated purpose. That's one of the reasons that with making redistribution and restructuring, we are holding forth for at least a 12-bed regional unit for the six mid-Willamette Valley counties. The answer is that we started a lot of programs in the 1989-91 biennium; we were encouraged to do so and felt strongly about those, and those roll up into the continuing level. So the fact is, our $372 million is below our '89-'91 budget. We will be losing many services that we feel are very valuable. 377 CHAIR McCOY: The picture looks very dismal, but I don't suppose we could do anything but go up from here. We're looking forward to help from the people of Ways and Means, who do some real looking. Hopefully, it will not be as dismal as it appears to be at this time. 407 ELLA JOHNSON, EXECUTIVE DIRECTOR, MENTAL HEALTH ASSOCIATION OF OREGON (MHAO) (EXHIBIT B): Details Exhibit B. TAPE 4, SIDE B

063 MURIEL GOLDMAN, CHAIR, MHAO CHILDREN'S COMMITTEE (EXHIBIT C): Details Exhibit C. 188 SEN. TROW: Hopefully, at some point we can discuss changes in the Day and Residential Treatment Services (DARTS) programs. I'd like to know more about why that's happened. 190 CHAIR McCOY: Yes, we will. 194ARLENE WOOD, VICE PRESIDENT, OREGON ALLIANCE FOR THE MENTALLY ILL (OAMI) (EXHIBIT D): Details Exhibit D. 284 LARRY SPURLOCK, PRESIDENT, OREGON CONSUMERS NETWORK INC. (OCNI) (EXHIBIT E): Details Exhibit E. 308 SEN. KENNEMER: To comment on Mr. Spurlock's testimony, everybody has thus far painted a bleak picture. In my mind, I'd like to say that Mr. Spurlock's comments are relatively

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optimistic. And I think there's another part missing in the equation today - I wish we had someone to talk on that issue - that part is that we're talking principally about state programs, for the moment. I was banished from the health-care committee because of my opposition to the Senate President's health-care plan, which I think we need to look at. One way it proposes to provide services to more people is to provide

them less. One thing it calls for is the abolishing of mandates - one for mental health, one for chiropractic services - a whole range of other services. And so if you think mental health is taking a back seat now, I think Oregon is on the threshold of pushing the mental-health movement about 50 years backwards, within the next year or two. I don't think it's an exaggeration to think that that's where we're headed unless some people come to look at it a little differently. So I encourage you to lobby on behalf of the state issues, and take a good look at what's happening in health care. The issue is not narrowly-defined health care; the issue is quality of life. I think that's the missing part of the equation. 341 JOHNSON: The Mental Health Association has been fighting the insurance companies' fight to get rid of the mental-health and chemical-dependency mandates. We will continue to fight against that. I am the wife of a mental-health consumer; we would pay more than $700 a month for his mental-health care and medication and even with both of us working I don't think we could afford that. So if we lose the mandates, it's going to make a lot of people drop under the safety net. 356 SEN. TROW: It is discouraging, what your presentations portend for now and for the future of mental-health services, which are so vital in this state. I think you all need to go beyond the bounds of the Legislature, out into the community, and begin to tell the story. I don't think what's happening with these cuts is widely known, and needs to be known. Quite frankly, if we don't have some replacement revenues the sooner the better, it's going to get worse. We don't want to see these programs devastated beyond repair, and it looks like some of them might be. There's a perception out there that by passing Measure 5, the voters said the government spends too much and needs to cut back. There's some people out there who just want to cut everything, without understanding the human dimensions of those cuts. They want to spread pain and suffering, supposedly, and yet they don't have any good idea about that pain and suffering and what it really means. We just can't afford that pain and suffering; we ought to be spending more in some way to keep us from having it.

403 JEFF DAVIS, LEGISLATIVE DIRECTOR, OREGON COMMUNITY MENTAL HEALTH PROGRAM DIRECTORS ASSOCIATION: I'd like to share some themes that directors will be looking at as they review the mental-health budget, and themes that we'll be looking at to get a history leading up to where we are today. In 1983, House Bill 2404 attempted to develop an array of community mental-health services. That was to try and develop a base upon which you could build a good mental-health house in the local community. Unfortunately, the funding wasn't there and we wound up rationing services to the most needy, which impacts the kind of house you build in the local community. We have all kinds of different structures at the local level. As a result, access to services varies across the state in different communities. The ability for early intervention varies as well, depending upon how rationing has impacted the kinds of Senate Committee on Human Resources January 23,1991- Page 11

services delivered in local communities - through counties or through non-profit organizations.

In 1988, the Legislature received a report on the Governor's In-Patient Commission, which I think was attempting to follow up on HB 2404 and to recognize that there were problems in the institutions. Also, the report said we ought to think of a new way of addressing acute care as a way of trying to address and relieve some of the problems in these institutions. Again, we ran into the dilemma of where is the money to do

it? We've made some efforts to begin in that direction, but we're still back saying we need more. And the holes in the mental-health road in the communities are still very large.

One of the dilemmas I think we and you will face, and our negotiations with the Mental Health Division will face, is the issue of heavy capital construction within the institution, versus services. It's always a dilemma you face when you get into those kinds of problems; you've seen it at Fairview and I think we've seen some of the impacts those kinds of dilemmas had in terms of community services. There are two themes I think are important:

- A better base of service. We need to try to evaluate the budget in terms of assuring that it's there, that it isn't lost. -The ongoing issues of wages for non-profit providers in the community and the impact that has on services.

I would say there is a positive note in all this, on the Medicaid side. That's at least in terms of Early and Periodic Screening, Diagnosis and Treatment (EPSDT). There is going to be an expansion of services to children; it would be nice if we could do that for the working poor or the non-working poor who don't have access to that but that is not a possibility. It does raise the issue that you've heard considering the balance between those who don't have resources - not getting services - and those having Medicaid getting the majority of services. Again, it's a leveraging of money; it's a dilemma we're going to have to look at. It's a very serious dilemma but it's one you're going to hear about and one that's going to confront you as we try to ration services with limited resources.

Moving into developmental disabilities, the Association has supported the downsizing of Fairview. At this point, the Association feels that's a positive direction to go; however, there are concerns about making sure we have stabilized existing services in the communities.

TAPE 5, SIDE B

029 We're concerned about stabilizing our existing ability to handle those people already coming out of the institution. And, again, we're concerned about the issue of wages, medical care and the ability of case management to have a reasonable caseload. Finally, you've heard of people sitting in the community on wait lists, unable to get services simply because they haven't been institutionalized. On administrative needs, one thing that's always been difficult for the local mental-health

authorities and local directors is trying to administer and evaluate an effectively-planned, complex and large rental-health system in the local communities with 4% administrative costs. It strikes us as a paradox that if you look at the Children and Youth Services Commission, you can get up to 10%. If you look at Community Corrections, you get more than 5%.

And yet, in the mental-health system (which is very large and complex

when you look at the Department of Human Resources overall), we're still at a 4% level. You'll hear from us because this is a concern, an issue and question of continuing to provide quality community-based services, and administering and managing them in ways which hold accountability and responsibility at the local level.

052 JUNE DUNN, PRESIDENT, OREGON COMMUNITY MENTAL HEALTH PROVIDERS (EXHIBIT F): Details Exhibit F. 168 SEN. TROW: Asks Chair McCoy to direct Committee staff to look into deregulation of mental health services, as suggested by Ms. Dunn. 170 DUNN: Continues testimony. 194 SEN. TROW: Deregulation scares me, but cutting bureaucracy and red tape is something I'd like to do, as well as get rid of unnecessary, out-of-date, burdensome rules. But to deregulate, I'm not sure. 203 NEIL V. CARROLL, PRESIDENT, RESIDENTIAL PROVIDERS ASSOCIATION OF OREGON (RPAO) (EXHIBIT G): Details Exhibit G. 341 JANNA STARR, EXECUTIVE DIRECTOR, ASSOCIATION FOR RETARDED CITIZENS (ARC) OF OREGON (EXHIBIT H): Details Exhibit H. TAPE 6, SIDE A

025 TIM ROCAK, OREGON REHABILITATION ASSOCIATION (EXHIBIT D: Details Exhibit I.

108 CHAIR McCOY adjourns meeting at 5:07 p.m.

Submitted by: Janice J. Fiegener Assistant Administrator

Reviewed by: Michael Sims Committee

These minutes contain ~naterials which paraphrase ·nt/or ~ununarize state~nents made during this ·ession Only text enclosed in quotation marks report a speaker's exact words For complete contents of the proce dings, please refer to the tapes Senate Committee on lluman Resources JAnuary 23, 1991- Page 13

EXHIBIT LOG: A - Oregon Mental Health and Developmental Disability Services Division 199 1-93 Program and Budget Summary - Richard Lippincott - 18 pages B - Testimony on Governor's proposed Mental Health budget - Ella Johnson - 7 pages C - Testimony on children's mental health services - Muriel Goldman - 9 pages D - Testimony on Governor's proposed Mental Health budget - Arlene Wood - 2 pages E - Testimony on Governor's proposed Mental Health budget - Larry Spurlock - 1 page F - Testimony on Governor's proposed Mental Health budget - June Dunn - 10 pages G - Testimony on Governor's proposed Mental Health budget - Neil V. Carroll - 3 pages H - Testimony on Governor's proposed Mental Health budget - Janna Starr - 2 pages I - Testimony on Governor's proposed Mental Health budget - Tim Rocak - 2 pages

. . - Illese minutes contain materiab which panphnse and/or wmmattze sutemenu made duting this session. Only text enclosed in quotation marks repott a speaker's exact words. For complere contents of the proccl iings, please tefet to the upes.