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Date: December 28, 2022

To: The Honorable Kate Brown,  
Oregon Governor

From: Steve Allen, Behavioral Health Director  
Rebecca Jones Gaston, Child Welfare Director

Subject: Update on children's Psychiatric Residential Treatment Facility (PRTF) capacity

In response to the Child Welfare Oversight Board's July 31, 2019 directive, Oregon Department of Human Services (ODHS) and Oregon Health Authority (OHA) issued a January 7, 2020 memo jointly recommending the development of 47 additional Psychiatric Residential Treatment Facility (PRTF) beds.

- For calendar year 2020, ODHS and OHA reported a net capacity gain of 18 beds and outlined next steps and ongoing efforts the agencies would make to maintain existing service levels and develop new capacity.
- For calendar year 2021, ODHS and OHA reported a net loss of 21 PRTF beds and provided updates on joint efforts.
- For calendar year 2022, functional capacity (the total number of beds providers maintain) has remained stable. However, operational capacity (the number of available beds) remains lower than functional capacity, due to challenges of COVID-19 and the behavioral health workforce shortage. COVID-19 also affected the ability of both agencies to fully realize capacity building projects in 2022.

Despite these challenges, ODHS and OHA have sustained existing services and made advances in developing new PRTF capacity, partnering with providers on new building projects to begin in 2023. The following is a summary of efforts and system changes for calendar year 2022.

### **Progress toward capacity building**

Functional PRTF capacity remained stable throughout 2022. The agencies successfully sustained current PRTF providers. However, providers' operational capacity remained significantly lower than functional capacity due to the challenges of COVID-19 and the behavioral health workforce shortage.

- COVID-19 outbreaks caused staff to take sick leave, requiring programs to close admissions to new clients.
- Providers experienced staff shortages due to a lack of qualified applicants for hiring direct care staff, clinicians, supervisors, and nurses.

Throughout 2022, the pandemic prevented providers from initiating new projects. This required ODHS, OHA and system partners to shift focus from expanding capacity to maintaining existing capacity. The behavioral health workforce shortage also worsened during the pandemic. As a result, PRTF providers

still struggle to maintain and hire staff to fill open positions, which also led to a decrease in functional capacity. PRTF capacity-building projects experience continued delays due to these dynamics.

### **Sustaining functional capacity**

In 2022, the agencies have taken the following actions to ensure as many beds as possible remain open:

#### ***OHA:***

OHA prevented further loss of functional capacity through continued funding and coordination.

- Deployed contracted nurses, nursing assistants and mental health technicians on a temporary basis to support PRTF providers while they hired permanent staff.
- Additional funding to residential workers for childcare, clinical supervision and facility safety enhancements.
- Additional funding for recruitment and retention of residential staff.
- Vacancy payments to pay PRTF providers for the cost of unfilled beds.
- Additional investment in the behavioral health workforce, including PRTF providers, as authorized under House Bill (HB) 4004 (2022).
- Increasing Medicaid fee-for-service Psychiatric Residential Treatment Services (PRTS) rates by 40 percent, Sub-acute rates by 30 percent, and Secure Inpatient rates by 30 percent, effective July 1, 2022. The increases are based on a rate study commissioned by OHA, reflecting the true costs and risks of performing this work.

#### ***ODHS:***

While ODHS does not have statutory authority to administer PRTF, the agency has supported PRTFs directly and indirectly in the following ways:

- Provided additional temporary funding to Behavior Rehabilitation Services (BRS) providers to reimburse for the cost or staff available, when capacity was not fully utilized. BRS is not PRTF but supports the children's continuum of care.
- Participated in twice monthly PRTF recruitment and retention strategy sessions with OHA and supported priority action items.
- Provided direct support and engagement to PRTF providers interested in supporting children served by ODHS Child Welfare.

### **Reported functional capacity**

When OHA paused standard reporting requirements for PRTF providers, OHA asked providers to maintain, as best they could, weekly capacity reporting on the following:

- **Filled beds:** Number of youth currently admitted
- **Available beds:** Number of beds open/available for admission
- **Pending admissions:** Number of youth approved for admission and waiting for an available bed or payor approval
- **Referrals:** Number of referrals not yet reviewed for admission determination
- **Discharges in the subsequent week:** Planned discharges (subject to change)
- **Notes:** COVID precautions, staffing challenges (1:1 or risk needs), acuity increases, workforce issues (hiring, leave, investigations, etc.)

This reporting method created some challenges.

- It captured moment-in-time information. Capacity can change day to day in some programs, and hour to hour in others.

- Because it was person-centered and staff-driven, if staff assigned to the task were out, the report was not completed.
- The reporting template had too much flexibility and lacked consistency in completion.

Despite these challenges, PRTF reporting still helped the agencies maintain a sense of provider capacity, identify providers experiencing challenges, and inform their efforts to provide meaningful support to ease capacity issues.

OHA plans to continue regular PRTF reporting in January 2023 in both the Child and Family Behavioral Health newsletter, [Holding Hope](#) and on the [Intensive Services Webpage](#) with new reporting mechanisms in collaboration with the PRTF provider network.

**Operational capacity compared to goal capacity**

Figure 1 (below) shows the maximum PRTF operational capacity versus goal capacity over time, from April 2021 to August 2022.

- The gray line represents the 2020 goal for the system: Having 286 beds available for youth.
- The red line shows the highest possible capacity available, if facilities had full staffing and no barriers to maintaining capacity. This possible capacity has declined over three years with the closure of two Kairos residential programs in 2020 and the temporary, but ongoing closure of Crystal Creek at Jasper Mountain.
- The green bar chart represents a monthly summary of reported weekly operational capacity (a combination of beds in use and open beds).

The gap between Intensive Treatment Services (ITS) programs’ operational capacity and the goal capacity widened during 2021 and has remained relatively stable in 2022.



Figure 1. Psychiatric Capacity Trend, ITS Tracker, April 2021 - August 2022. Source: Oregon Health Authority direct reporting from providers.

**2022 capacity-building projects in process**

OHA published an RFGP for Residential PRTF and has issued notification of awards to:

- Madrona Recovery in Tigard

- Community Counseling Solutions in Boardman

ODHS supported Madrona Recovery in establishing a successful BRS program ahead of its transition as a new PRTF provider.

OHA contracted with a consulting firm to search outside of Oregon for providers with interest in providing PRTS to the children's Aid and Assist population, known as Restorative Services.

- This program is currently part of the Secure Adolescent Inpatient Program.
- OHA is supporting potential providers found during this search to stand up a program for four to six youth.

OHA and ODHS have developed agreements with Looking Glass Family Services to expand their PRTF program by 8 additional beds in Eugene.

### **Progress toward study activities**

In 2020, following capacity studies completed by both ODHS and OHA, the agencies agreed to further study and align methodology regarding the systemic needs that would adequately support children and youth in the child welfare system. Activities recommended for the study included:

- Engage PRTF providers, coordinated care organizations (CCOs), and commercial insurance carriers to identify future state options for Oregon recognizing collective resources and knowledge.
- Review current services with an equity lens and make recommendations to ensure culturally specific service delivery occurs.
- Identify start-up funds needed to develop additional capacity and help offset one-time costs.
- Explore funding models to ensure capacity is available when needed.
- Develop programmatic and policy change recommendations that would encourage and support capacity development and operational sustainability.
- Track provider outcomes and ongoing system capacity needs.
- Coordinate with Oregon's System of Care Advisory Council to analyze the current continuum of care and develop long-term recommendations for the appropriate settings needed in Oregon.

The following section provides updates on OHA and ODHS progress with these recommendations.

### ***Program and policy***

Capacity expansion for PRTF will not resolve all access to care issues for youth involved with Child Welfare. Continued collaboration with consumers, agencies and interested parties is necessary to build sustainable practices for access to the right care, at the right time, and for the right duration. OHA and ODHS partnered to take the following program and policy actions:

- As mandated by HB 4012 (2022), OHA, with the support of ODHS, completed a comprehensive rate study for PRTF and services that reduce the need for PRTF, such as BRS and Intensive In-Home Behavioral Health Treatment (IIBHT). The study also determined the rate increases needed across the behavioral health system to adequately compensate and support its workforce. OHA will publish the full study by February 28, 2023.
- OHA and ODHS finalized an Interagency Agreement that outlines:
  - Roles and responsibilities for PRTF access,
  - Process for collecting and analyzing PRTF utilization data,
  - Agreements on how capacity needs will be determined and
  - A set of shared values for PRTF services and capacity expansion and enhancement.
- OHA and ODHS continuously consulted with providers, CCOs and other community partners to identify immediate needs due to COVID-19.

- OHA and ODHS worked to support the System of Care Advisory Council and its subcommittees on system needs and long-term planning for the children’s continuum of care. Further detail on this work is in the council’s [System of Care Plan for Oregon for 2022-2023](#).
- ODHS, in consultation with OHA, initiated a pilot of enhanced transition support for children in PRTF care. The pilot facilitates regular meetings with the child and family and their care team to support intentional aftercare planning. It also provides funding to the child’s aftercare resource to support heightened engagement in treatment planning and visitation during the PRTF stay.

### ***Tracking provider outcomes and system capacity needs***

To support data collection regarding PRTF capacity and referrals:

- OHA hired a Children’s Intensive Treatment Services data analyst to support work mandated by HB 2086 (2021).
- OHA completed its [HB 2086 \(2021\) Report](#) for the Oregon Legislature on December 15, 2022. The report outlines efforts to track demand for, and capacity of, intensive psychiatric residential treatment, acute inpatient treatment, or residential substance use disorder treatment for children and adolescents.
- OHA and ODHS will continue to collaborate on the analysis of the data received to support program and policy decisions.
- To meet the needs of Senate Bill 1 (2019), ODHS and OHA collaborated with the System of Care Advisory Council to create the publicly available [cross-system Data Dashboard](#).
- OHA tracked functional capacity and operational capacity changes on a weekly basis for PRTF providers since 2021. OHA shares This data with ODHS and the community in the monthly [Holding Hope](#) newsletter.

### **Moving forward in 2023**


ODHS and OHA continue to collaborate to improve access to needed treatment services in the Children’s System of Care. Despite the profound impact of COVID-19, the agencies have worked together to sustain current capacity and to make progress toward our shared goals and commitments.

Moving forward, the agencies will prioritize the following:

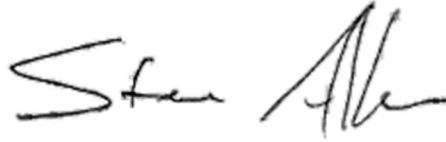
- OHA’s Agency Request Budget will include continued investments to fulfill PRTF capacity needs.
- OHA will implement an interim plan to gather access and demand data while moving toward the development of a centralized data system to monitor capacity and access.
- OHA will continue to convene PRTF workgroups and community engagement opportunities to act on urgent needs for PRTF providers and plan for expanded and enhanced service capacity.
- OHA and ODHS will implement the Interagency Agreement to ensure mutual understanding of existing capacity and capacity needs in the system.
- ODHS and OHA will continue to explore methods to improve PRTF access through ongoing strategy meetings.
- OHA and ODHS will jointly review and analyze Intensive Treatment Services data to inform intentional service and capacity building.

OHA and ODHS will continue to prioritize this work in collaboration with the System of Care Advisory Council and the Children's Cabinet.

Sincerely,



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