

HB 4087 A STAFF MEASURE SUMMARY

House Committee On Early Childhood and Human Services

Action Date: 02/19/24

Action: Do pass with amendments and be referred to Ways and Means by prior reference.
(Printed A-Eng.)

Vote: 9-0-1-0

Yeas: 9 - Andersen, Elmer, Hartman, Hieb, Nelson, Neron, Nguyen H, Reynolds, Scharf

Exc: 1 - Cramer

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 2/7, 2/19

WHAT THE MEASURE DOES:

The measure directs the Oregon Health Authority (OHA), the Department of Human Services (ODHS), and the Oregon Youth Authority (OYA) to establish a pilot program to expand residential systems of care for certain children and youth by issuing capacity payments to providers. The measure requires the System of Care Advisory Council to report to the legislature, authorizes rulemaking by OHA, ODHS, and OYA, and appropriates \$15 million from the General Fund to OHA. The program sunsets January 2, 2026, and would take effect immediately upon passage.

Detailed Summary:

Capacity Payments (Sections 1 and 2)

- Directs OHA, in coordination with ODHS and OYA, to establish a pilot program to issue capacity payments through contracts with providers of residential services for children who are at risk of temporary lodging or require behavioral health services.
- Specifies length and requirements of contracts and criteria for providers to participate.
- Requires the System of Care Advisory Council (SOCAC) to prescribe performance standards and to review reports from providers in order to report to the legislature by January 31, 2025.
- Authorizes OHA, ODHS, and OYA to adopt rules for implementation.
- Requires OHA, ODHS, and OYA to begin contracting and paying providers by June 30, 2024.

Appropriation (Section 3)

- Appropriates \$15 million from the General Fund to OHA for the current biennium to implement the program.

Sunset and Effective Date (Sections 4 and 5)

- Sunsets on January 2, 2026.
- Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Purpose of capacity payments to providers
- Impact of temporary lodging
- Reimbursement structure for residential providers
- Staffing levels at residential programs
- Fiscal impact of measure
- Cost of provided services
- Recommendations in court-appointed special master's report
- Role of System of Care Advisory Council

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EFFECT OF AMENDMENT:

The amendment replaces the measure.

BACKGROUND:

Youth with complex behavioral and medical needs who are in the child welfare system are likely to be placed in hotel rooms and other short-term accommodations, a practice known as “temporary lodging,” when the Department of Human Services cannot arrange stable placements at therapeutic group homes, residential care facilities, child caring agencies, or other more appropriate locations. In response to this practice, a lawsuit was filed against the state in 2016 (*CASA for Children v. State of Oregon, et al.*), and a settlement was reached in 2018 that placed limits on the department's use temporary lodging with the intention of phasing it out. In 2023, the court appointed a special master, Dr. Marty Beyer, to review the department's ongoing use of the practice and make recommendations on how the state could address the underlying causes. Dr. Beyer presented her [draft report](#) to a recent meeting of the [Senate Interim Committee on Human Services](#). The report contains several recommendations on the structure of the state’s system of care and the intersections between child welfare, health care, mental and behavioral health, substance use disorder, and juvenile justice.

The System of Care Advisory Council, established in 2019 and housed within the Oregon Health Authority, is tasked with monitoring the state's systems of residential care for youth under age 25 across multiple sectors, including child welfare, behavioral health, developmental disabilities, education, and juvenile justice. As demonstrated in the council's [data dashboard](#), many youth are served by several systems at once and may move between different levels of care depending on the acuity of their needs. These may include behavioral residential services (BRS), hospital emergency departments, group homes, psychiatric residential treatment facilities, proctor care homes, and various in-home and community-based support services.