

SB 909 STAFF MEASURE SUMMARY

Senate Committee On Human Services

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Meeting Dates: 2/27

WHAT THE MEASURE DOES:

The measure expands access to home and community-based services for individuals under age 21 with serious emotional disturbance. The measure expands eligibility for medical assistance regardless of family income to individuals under age 18 with certain conditions. The measure requires the Oregon Health Authority (OHA) to develop level of care criteria for admission to psychiatric facilities for individuals under age 21 and provides for home and community-based services as alternatives to institutional placement for individuals who meet those criteria.

Detailed Summary:

Home and Community-Based Services and Supports for Individuals Under Age 21 with Serious Emotional Disturbance (Section 1)

- Defines "serious emotional disturbance" as a mental, behavioral, or emotional disorder that is diagnosed by a licensed professional according to the Diagnostic and Statistical Manual of Mental Disorders and substantially impairs or limits an individual's involvement in family, school, or community activities.
- Directs OHA to provide specified home and community-based services and supports that allow Medicaid-eligible individuals under age 21 with a serious emotional disturbance to be successful living with their families or in other community-based settings.

Eligibility Determinations for Medical Assistance (Sections 2–4 and 7–9)

- Requires OHA and the Department of Human Services (ODHS), when determining eligibility for medical assistance, to disregard parental income of an individual under age 18 who:
 - Has a physical disability or chronic illness that requires a hospital or nursing home level of care; or
 - Meets the level of care criteria for admission to a psychiatric facility for individuals under age 21.
- Requires OHA and ODHS to notify the parents of an individual who is determined eligible based on a disregard of parental income that an education provider may be notified and may bill the cost of school-based health services provided to the individual.
- Requires OHA to collaborate with ODHS and the Department of Education to share information regarding children who are eligible for medical assistance and establish billing codes for collecting reimbursements.
- Requires OHA to seek necessary federal waivers or other authority and to notify the Legislative Counsel upon receiving approval or denial.
- Becomes operative on the date on which the Legislative Counsel receives notice of federal approval.
- Authorizes OHA and ODHS to take necessary actions ahead of operative date.

Psychiatric Services for Individuals Under Age 21 (Section 5)

- Requires OHA to prescribe by rule the level of care criteria for admission to a psychiatric facility for individuals under age 21.
- Requires OHA to adopt assessment tools that:
 - Determine whether an individual meets the level of care criteria; and
 - Establish the level of services necessary to support an individual who meets the level of care criteria to be successful outside of an institutional setting.
- Provides that an individual who meets the level of care criteria is eligible for medical assistance if home and community-based services are a necessary alternative to institutional placement and continues to be eligible

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if withdrawal of services would place the individual at risk of institutional placement.

- Becomes operative on the date on which the Legislative Counsel receives notice of federal approval.
- Authorizes OHA and ODHS to take necessary actions ahead of operative date.

Medically Involved Home-Care Program (Section 6)

- Removes references to limits on the number of children enrolled in the Medically Involved Home-Care Program.

Emergency Clause (Section 11)

- Declares emergency, effective on passage.

REVENUE: May have revenue impact, but no statement yet issued

FISCAL: May have fiscal impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 2024, the Legislative Assembly passed [Senate Bill 1557](#), which required that the Oregon Health Authority (OHA), the Oregon Department of Human Services (ODHS), and the Oregon Department of Education (ODE) coordinate their service delivery systems to guarantee that individuals under 21 have access to Medicaid-funded services that they are qualified to receive. The bill also prohibited mental health service providers from denying services based on an individual's intellectual or developmental disability (IDD).

OHA is the state's lead agency for Medicaid (also called medical assistance), although some Medicaid-funded services are provided through the Department of Human Services (ODHS). Under current law, OHA has responsibility for psychiatric residential and day treatment services for children with mental or emotional disturbances, while ODHS is responsible for most other developmental disabilities services for children ([ORS 430.215](#)). ODHS, through the Office of Developmental Disability Services (ODDS), manages home and community-based services for individuals with IDD under [Medicaid's Community First Choice](#) option, or "K Plan," as provided by [sections 1915\(c\) and 1915\(k\) of the federal Social Security Act](#) and [section 2401 of the Affordable Care Act](#). Oregon is one of five states to provide these services to individuals with IDD under its state Medicaid plan. Under the [K Plan](#), individuals with IDD whose needs would otherwise qualify them for an institutional level of care are instead able to receive services from local providers in their homes and communities.