

SB 296 -1, -2 STAFF MEASURE SUMMARY

Senate Committee On Health Care

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/11, 3/13

WHAT THE MEASURE DOES:

The measure directs the Oregon Department of Human Services and the Oregon Health Authority to improve timeframes for eligibility determinations for long term services and supports, to expand medical assistance coverage for skilled nursing and medical respite, and to study the regulatory frameworks for facilities that care for people with complex health or behavioral health needs. Declares emergency, effective on passage.

DETAILED SUMMARY:

Medicaid Eligibility Determinations for LTSS

- Directs ODHS and OHA to create a dashboard to measure the amount of time it takes to complete Medicaid eligibility determinations for long term services and supports (LTSS).
- Directs ODHS and OHA to conduct an operational review to streamline eligibility determinations for LTSS, to include: a baseline analysis using data from the dashboard; benchmarks for improving processing times; technologies to meet those benchmarks; potential changes to staff assignments and workflows; and a decision tree and protocols to use when delays occur.
- Directs ODHS to explore options for short-term, temporary coverage while an eligibility determination is pending.
- Requires a report to the Legislative Assembly by August 15, 2026.

Study Options to Waive Asset Testing

- Directs ODHS and OHA to study options to waive or streamline asset testing for eligibility determinations, with a report back to the Legislative Assembly by December 31, 2025.

Study Regulatory Framework for Care Settings

- Directs ODHS and OHA to study the regulatory framework for adult foster homes and residential care facilities that serve residents with complex medical or behavioral health conditions. Due back to the Legislative Assembly by August 15, 2026, the study should:
 - Identify needed changes to licensing requirements that serve individuals with complex health or behavioral health conditions.
 - Assess the resources needed to expand enhanced care services and specific needs contracts statewide.
 - Evaluate the impact on individuals with complex medical or behavioral health conditions of having separate licensing requirements for adult foster homes and residential care facilities licensed by the Office for Aging and People with Disabilities (APD), and the Office of Developmental Disabilities Services (ODDS).
 - Recommend options for collaborative approaches in lieu of civil monetary penalties.

Study Options to Increase Adult Foster Home Settings

- Directs ODHS and the Housing and Community Services Department to study opportunities to offset the cost of creating new adult foster homes and other community-based care settings, to report back to the Legislative Assembly by August 15, 2026.

Study Options to Expand Medical Respite and Care Coordination

- Directs OHA and ODHS to study options to expand existing medical respite programs in partnership with CCOs and homeless service providers.

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- Directs OHA and ODHS to study options to expand medical assistance to include medical respite and care services provided in shelters, seeking any necessary approvals to allow for federal financial participation.
- Directs OHA and CCOs to offer more targeted care coordination, traditional health worker support, and home modification services, including for people who are dually eligible for medical assistance and Medicare.

Coverage of Skilled Nursing for up to 100 Days

- Directs OHA to establish a post-hospital extended care benefit to cover a medical assistance recipient's stay in skilled nursing for up to 100 days.

Fiscal impact: *Fiscal impact issued*

Revenue impact: *No revenue impact*

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Narrows focus of ODHS study from all facility and adult foster home types to those that serve eligible seniors and persons with physical disabilities, or adults with mental illness.

-2 Narrows focus of ODHS study to include seniors and persons with physical disabilities and adults with mental illness. Directs agencies to seek necessary approvals and to implement policies to waive asset testing for Medicaid coverage of LTSS (in lieu of study only).

BACKGROUND:

[House Bill 3396](#) (2023) established the Joint Task Force on Hospital Discharge Challenge to confront the problem that people were becoming stuck in hospitals when they were unable to be discharged to an appropriate post-acute care setting. The 22-member Task Force met from September 2023 through November of 2024 to investigate agency and hospital processes, as well as structural factors constraining the capacity of the post-acute sector. At each step, the Task Force heard from a range of stakeholders.

In its final report ([link](#)), the Task Force found that discharge challenges persist as hospitals serve an aging population with growing needs for mental health, addiction, and housing supports that the traditional post-acute care model was not designed to address. As a result, Oregon's limited hospital beds are often in use to care for people who are ready to be discharged to less intensive care settings. The care continuum is challenged at multiple points across hospitals, agencies, and community-based settings. With awareness of these interconnected challenges, the Task Force advanced recommendations as a series of linked strategies rather than a list of individual concepts.

Senate Bill 296 implements recommendations of the Joint Task Force on Hospital Discharge Challenges, including actions to improve LTSS screening and benefits, to study options to waive asset testing and cover medical respite, and to study the regulatory framework for settings that serve Oregonians with complex health or behavioral health needs.