

SB 1195 STAFF MEASURE SUMMARY

Senate Committee On Early Childhood and Behavioral Health

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Meeting Dates: 3/25, 4/1

WHAT THE MEASURE DOES:

The measure directs the Oregon Health Authority (OHA) to study and propose reforms related to residential behavioral health services, including exploring alternatives to nurse staffing requirements, assessing new reimbursement methodologies, and evaluating alternative models for administering these services, and mandates the development of new rules, such as allowing conditional referrals before licensure, supporting early transition plans, and creating a separate licensing process for transition-aged youth residential treatment homes. Declares an emergency, effective on passage.

Detailed Summary:

Directs OHA to study residential behavioral health facilities and issue recommendations on staffing, reimbursement, and service provision.

- Defines “facility” as a residential treatment facility (RTF), residential treatment home (RTH), secure residential treatment facility (SRTF), or secure residential treatment home (SRTH).
- Directs OHA to study allowable alternatives to nurse staffing minimum requirements in SRTFs.
- Directs OHA to assess methodologies permitted by federal law for reimbursing facilities.
- Directs OHA to determine whether services may be administered in residential behavioral health facilities under options other than the state’s Home and Community Based Services waiver or a state plan amendment.
- Directs OHA to determine the feasibility of direct discharge of a resident from a facility to other types of housing without requiring a third-party referral, when clinically appropriate.
- Directs OHA to evaluate options for the provisions and funding of capacity payments to facilities when a resident is hospitalized or absent due to a law enforcement encounter.
- Directs OHA to submit a report with findings and recommendations to the Legislative Assembly by September 15, 2026.

Directs OHA to adopt new rules regarding residential behavioral health facilities.

- Defines “facility” as a residential treatment facility (RTF), residential treatment home (RTH), secure residential treatment facility (SRTF), or secure residential treatment home (SRTH).
- Directs OHA to adopt rules to allow new RTFs or RTHs to accept conditional referrals for residents before being granted licensure, subject to the requirement that the resident may not be placed in the facility prior to the facility being granted licensure.
- Directs OHA to adopt rules to support facilities in developing early transition plans for residents.
- Directs OHA to adopt rules to establish a separate licensing process for transitional aged youth RTHs.
- Directs OHA to submit an interim report with findings and recommendations to the Legislative Assembly by September 15, 2025.
- Directs OHA to submit a final report with findings and recommendations to the Legislative Assembly by September 15, 2026.

Sunsets January 2, 2027.

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

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

ISSUES DISCUSSED:

This summary has not been adopted or officially endorsed by action of the committee.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Residential Treatment Homes (RTH), Residential Treatment Facilities (RTF), and Secure Residential Treatment Facilities (SRTF) provide housing and treatment services to adults diagnosed with a qualifying mental illness and are staffed 24 hours a day. The capacity of an RTH is up to five residents and the capacity of an RTF and SRTF is 6-16 residents, though there are few contracted facilities that provide services for 16 or more residents. A [1915\(i\) Waiver](#) is a waiver from the federal government that permits states to provide opportunities for Medicaid beneficiaries with mental illness to receive services in their own homes or communities, such as a community-based residential behavioral health facility. A [State Plan Amendment](#) (SPA) is required when a state wants to change Medicaid benefits or the way benefits are delivered. Oregon has used SPAs to increase reimbursement rates for residential behavioral health programs.

Oregon Administrative Rule (OAR) [309-035-0100](#) sets rules, including licensing and admission requirements for residential behavioral health facilities for adults with mental health disorders. Most placements into residential behavioral health treatment facilities come from the Oregon State Hospital and acute care facilities. All residential behavioral health facilities are licensed every two years.

Senate Bill 1195 directs the Oregon Health Authority (OHA) to study and propose reforms related to residential behavioral health services and mandates OHA to develop additional rules for residential behavioral health facilities.