

## **SB 811 -2 STAFF MEASURE SUMMARY**

### **Senate Committee On Human Services**

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**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 3/18, 4/1

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#### **WHAT THE MEASURE DOES:**

The measure modifies the procedures for the Oregon Department of Human Services (ODHS) and Oregon Health Authority (OHA) to process applications, conduct inspections, and issue licenses for residential facilities, adult foster homes, and facilities with memory care endorsements.

#### Detailed Summary:

##### **Residential Facility License Applications, Inspections, and Renewal (Sections 1 to 3)**

- Modifies requirements and procedures for ODHS and OHA to issue residential facility licenses to applicants in accordance with inspection and licensing requirements.
- Requires that applicants for a residential facility license include information on the application regarding the facility's proposed policies and procedures for the following:
  - Staff and administrator training;
  - Service planning;
  - Medication administration;
  - Food preparation and distribution;
  - Safety;
  - Emergency response;
  - Succession planning; and
  - Facility closure.
- Specifies that ODHS and OHA may only grant an initial license if a facility is in compliance with current laws and regulations, an inspection has been completed, and the license application has been reviewed and approved.
- Clarifies that ODHS and OHA have authority to deny, suspend, revoke, or refuse to renew a license if a provider operates another facility that is not in substantial compliance with current laws and regulations.
- Requires that ODHS and OHA conduct inspections when a license application is received and within 120 days of when a facility is issued an initial license or changes ownership.
- Authorizes ODHS and OHA to conduct inspections at other times at their discretion.
- Requires that an inspection be completed by ODHS or OHA before a residential facility license is issued.
- Applies to licenses issued or renewed on or after the measure's effective date.
- Becomes operative January 1, 2026 but authorizes ODHS and OHA to take necessary action ahead of operative date.

##### **Adult Foster Home Licensure and Inspections (Sections 4 and 5)**

- Modifies requirements and procedures for ODHS and OHA to issue adult foster home licenses to applicants in accordance with inspection and licensing requirements.
- Requires that applicants for an adult foster home license include information on the application regarding the home's proposed policies and procedures for the following:
  - Staff and administrator training;
  - Service planning;
  - Medication administration;
  - Food preparation and distribution;

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- Safety;
- Emergency response;
- Succession planning; and
- Facility closure.
- Authorizes ODHS to adopt rules that prescribe an application fee for adult foster homes serving older adults and individuals with physical disabilities.
- Requires ODHS or OHA to conduct an in-person site inspection and to review and approve the policies described in the application before issuing an initial license.
- Authorizes ODHS to extend an adult foster home license by two years, while remaining on a two-year renewal cycle, if it determines that the home is in substantial compliance with current laws and regulations for three years.
- Specifies requirements for ODHS and OHA to conduct inspections of an adult foster home to verify compliance with current laws and regulations and provide the provider with methods of care, treatment, training, records, housing, and equipment.
- Requires that ODHS and OHA conduct inspections when a license application is received and within 120 days of when a facility is issued an initial license.
- Authorizes ODHS and OHA to conduct inspections at other times at their discretion.
- Applies to licenses issued or renewed on or after the measure's effective date.
- Becomes operative January 1, 2026 but authorizes ODHS and OHA to take necessary action ahead of operative date.

### Memory Care Endorsements (Section 6)

- Requires that rules adopted by ODHS regarding standards for memory care facility endorsements include provisions for:
  - Facility design;
  - Administrator training
  - Elopement notifications
  - Transfer policy;
  - Procedures for emergency evacuation and facility closures; and
  - Minimum qualifications for facility administrators.
- Applies to memory care endorsements obtained on or after the measure's effective date.
- Becomes operative January 1, 2026 but authorizes ODHS and OHA to take necessary action ahead of operative date.

### Applicable, Operative, and Effective Dates (Section 7 to 9)

- Specifies applicable dates for changes to licensing procedures.
- Specifies operative dates.
- Takes effect on 91st day following adjournment sine die.

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

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

### ISSUES DISCUSSED:

- Background of workgroup meetings and previous incidents involving facilities
- Frequency of adult foster homes that go uninspected for up to two years
- Practice of issuing a license without an on-site inspection
- Staffing challenges of licensing agency
- Increasing acuity of caseload
- Ability of licensing agency to observe potential issues in a facility

### EFFECT OF AMENDMENT:

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

-2 The amendment replaces the measure. The amendment modifies the procedures for the Oregon Department of Human Services (ODHS) and Oregon Health Authority (OHA) to process applications, conduct inspections, and issue licenses for residential facilities, adult foster homes, and facilities with memory care endorsements. The amendment defines "substantial compliance," removes a requirement for ODHS to adopt rules regarding memory care facility administrators, and specifies that adult foster homes must undergo annual inspections regardless of licensing cycle.

Detailed Summary:

**Residential Facility License Applications, Inspections, and Renewal (Sections 1 to 3)**

- Modifies requirements and procedures for ODHS and OHA to issue residential facility licenses to applicants in accordance with inspection and licensing requirements.
- Requires that applicants for a residential facility license include information on the application regarding the facility's proposed policies and procedures for the following:
  - Staff and administrator training;
  - Service planning;
  - Medication administration;
  - Food preparation and distribution;
  - Safety;
  - Emergency response;
  - Succession planning; and
  - Facility closure.
- Specifies that ODHS and OHA may only grant an initial license if a facility is in compliance with current laws and regulations, an inspection has been completed, and the license application has been reviewed and approved.
- Clarifies that ODHS and OHA have authority to deny, suspend, revoke, or refuse to renew a license if a provider operates another facility that is not in substantial compliance with current laws and regulations.
- Requires that ODHS and OHA conduct inspections when a license application is received and within 120 days of when a facility is issued an initial license or changes ownership.
- Authorizes ODHS and OHA to conduct inspections at other times at their discretion.
- Requires that an inspection be completed by ODHS or OHA before a residential facility license is issued.
- Applies to licenses issued or renewed on or after the measure's effective date.
- Becomes operative January 1, 2026 but authorizes ODHS and OHA to take necessary action ahead of operative date.

**Adult Foster Home Licensure and Inspections (Sections 4 and 5)**

- Defines "substantial compliance" as a level of compliance with state law and administrative rules such that an identified deficiency poses no more than negligible harm to residents' health or safety.
- Modifies requirements and procedures for ODHS and OHA to issue adult foster home licenses to applicants in accordance with inspection and licensing requirements.
- Requires that applicants for an adult foster home license include information on the application regarding the home's proposed policies and procedures for the following:
  - Staff and administrator training;
  - Service planning;
  - Medication administration;
  - Food preparation and distribution;
  - Safety;
  - Emergency response;
  - Succession planning; and
  - Facility closure.

- Authorizes ODHS to adopt rules that prescribe an application fee for adult foster homes serving older adults and individuals with physical disabilities.
- Requires ODHS or OHA to conduct an in-person site inspection and to review and approve the policies described in the application before issuing an initial license.
- Authorizes ODHS to extend an adult foster home license by two years, while remaining on a two-year renewal cycle, if it determines that the home is in substantial compliance with current laws and regulations for three years.
- Specifies requirements for ODHS and OHA to conduct inspections of an adult foster home to verify compliance with current laws and regulations and provide the provider with methods of care, treatment, training, records, housing, and equipment.
- Requires that ODHS and OHA conduct inspections when a license application is received and within 120 days after a facility is issued an initial license.
- Requires ODHS and OHA conduct annual inspections, regardless of whether the adult foster home is on a two-year license renewal cycle.
- Authorizes ODHS and OHA to conduct inspections at other times at their discretion.
- Applies to licenses issued or renewed on or after the measure's effective date.
- Becomes operative January 1, 2026 but authorizes ODHS and OHA to take necessary action ahead of operative date.

**Memory Care Endorsements (Section 6)**

- Requires that rules adopted by ODHS regarding standards for memory care facility endorsements include provisions for:
  - Facility design;
  - Administrator training
  - Elopement notifications
  - Transfer policy; and
  - Procedures for emergency evacuation and facility closures.
- Applies to memory care endorsements obtained on or after the measure's effective date.
- Becomes operative January 1, 2026 but authorizes ODHS and OHA to take necessary action ahead of operative date.

*REVENUE: No revenue impact*

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

**BACKGROUND:**

Adult foster homes and residential facilities, including residential care facilities such as assisted living, residential treatment and training homes, and adult foster homes, are forms of home and community-based services (HCBS) for individuals in need of assistance with activities of daily living in settings outside of their own homes. The Oregon Department of Human Services (ODHS) is responsible for licensing and regulating residential facilities and adult foster homes for older adults and individuals with intellectual, developmental, or physical disabilities. The Oregon Health Authority (OHA) performs a similar role for residential facilities and adult foster homes that serve individuals receiving treatment for mental illness and other behavioral health conditions.

Oregon law currently requires prospective residential facility operators to submit an application for licensure, often accompanied by a fee, although an on-site inspection prior to licensure is conducted at the agency's discretion ([ORS 442.400 to 443.455](#); [OAR 411-054-0013](#)). Facilities are required to undergo regular facility inspections and separate kitchen inspections ([OAR 411-054-0105](#)). Current administrative rules for residential facilities require that applicants provide information on proposed policies relating to certain requirements for health and safety ([OAR 411-054-0025](#)).

Current administrative rules require adult foster home providers to undergo an on-site inspection by a local licensing authority ([OAR 411-049-0135](#)). Adult foster homes are currently required to renew their license annually ([ORS 443.735](#)).

A residential facility may apply for a memory care endorsement to be authorized to provide care for individuals with Alzheimer's disease and other forms of dementia ([ORS 443.886](#)). Current administrative rules require facilities with a memory care endorsement to maintain policies on responding to emergencies and resident elopements, as well as other requirements such as administrator qualifications ([OAR 411-057-0140](#)).