

## **SB 909 -1, -2 STAFF MEASURE SUMMARY**

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

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**Meeting Dates:** 2/27, 4/1, 4/3, 4/8

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#### **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:

- History of efforts to reform child-serving system
- Downstream effects of insufficient resources available to children and youth with complex needs
- Background of K-Plan adoption
- Challenges faced by families and youth in accessing mental health services
- Integration of Medicaid-funded services in educational settings
- Need for level of care criteria for psych under 21 facilities

### EFFECT OF AMENDMENT:

-1 The amendment replaces 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. The measure specifies a process for parents or guardians to give consent in order for school-based health services to bill the state medical assistance program.

### 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 meets the diagnostic criteria in the Diagnostic and Statistical Manual of Mental Disorders, the International Classification of Diseases, or the Diagnostic Classification of Mental Health and Developmental Disorders of Infancy and Early Childhood.
- Specifies that an applicable serious emotional disturbance that emerges in a person under age 21 who:
  - Demonstrates a severe functional impairment that limits a person's ability to adequately participate in one or more life domains; or
  - Is at risk of out-of-home placement, hospitalization, or other disruption as defined in rule by OHA.
- 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 2–3 and 8–9)**

- Requires OHA and the Department of Human Services (ODHS) to disregard parental income and only consider the individual's income when determining eligibility for medical assistance for an individual under age 18 who:
  - Has a physical disability or chronic illness that requires a hospital or nursing home level of care; or

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- Meets the level of care criteria for admission to a psychiatric facility for individuals under age 21.
- Directs OHA, ODHS, and the Department of Education to adopt rules to design a streamlined process for a parent or guardian to give consent during certain regular meetings for the purpose of allowing an education provider to bill the state medical assistance program for school-based health services.
- 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.

### **Process for Education Providers to Bill Medical Assistance Program (Sections 4 & 7)**

- Directs OHA, ODHS, and the Department of Education (ODE) to adopt rules to design a streamlined process for a parent or guardian to give consent during certain regular meetings for the purpose of allowing an education provider to bill the state medical assistance program for school-based health services.
- Requires OHA to collaborate with ODHS and ODE to share information regarding children who are eligible for medical assistance and establish billing codes for collecting reimbursements.

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

### **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: No revenue impact*

*FISCAL: Fiscal impact issued*

-2 The amendment replaces the measure. The amendment requires parental income to be disregarded when determining eligibility for medical assistance for individuals under age 18 who require a hospital or nursing home level of care. 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:

#### **Eligibility Determinations for Medical Assistance**

- Requires the Oregon Health Authority (OHA) and Department of Human Services (ODHS), when determining eligibility for medical assistance, to disregard parental income for individuals under age 18 who have a physical disability or chronic illness that requires a hospital or nursing home level of care.

### Psychiatric Services for Individuals Under Age 21

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

### Medically Involved Home-Care Program

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

*REVENUE: No revenue impact*

*FISCAL: Fiscal impact issued*

### 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.