

HB 2206 -1 STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

Prepared By: Alexandra Kihn-Stang, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/4, 4/8

WHAT THE MEASURE DOES:

The measure requires the Oregon Health Authority (OHA) to convene a work group to study the feasibility of transferring the responsibility and financial risk for administering the adult mental health residential service benefit from OHA to coordinated care organizations (CCOs).

Detailed Summary

- Requires OHA to convene a work group to study the feasibility of and develop a plan for transferring the responsibility and financial risk for administering adult residential mental health service benefits from OHA to CCOs for CCO members.
- Specifies care settings included in adult mental health services benefit.
- Specifies work group membership.
- Requires work group to develop a plan for the transfer of responsibility, including identifying objectives, assessing viability, and creating phased implementation timelines by facility type. Requires work group to develop recommendations related to capacity and resources needed, in addition to any statutory, regulatory, and contractual changes necessary for implementation and sustainability of transfer.
- Requires OHA to report initial recommendations of the work group to the Legislative Assembly by December 15, 2027, and final recommendations by December 15, 2028.
- Declares emergency, effective on passage.

ISSUES DISCUSSED:

- The need for person-centered services for CCO members that address gaps in the continuum of care
- Importance of a work group as a venue to facilitate discussion around current practices and future changes in the provision of adult residential mental health services for CCOs
- Adult residential mental treatment facility capacity and availability

EFFECT OF AMENDMENT:

-1 Replaces the measure.

- Defines terms and settings. Expands included care settings and facility types. Defines "independent qualified agent."
- Directs OHA to convene or contract with a third party to convene a work group to study the feasibility of and develop a plan for transferring the responsibility and financial risk for administering adult residential mental health service benefits to state medical assistance program from OHA to CCOs for CCO members. Specifies what the study must include. Sunsets workgroup on January 2, 2029.
- Requires work group to develop a plan for the transfer of responsibility, including identifying objectives, assessing viability, and creating phased implementation timelines by facility type. Requires work group to develop recommendations related to capacity and resources needed, in addition to any statutory, regulatory, and contractual changes necessary for implementation and sustainability of transfer.
- Specifies work group membership. Stipulates that the work group must have its first meeting by October 1, 2025.

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Fiscal impact: Fiscal impact issued

Revenue impact: No revenue impact

BACKGROUND:

The Oregon Health Plan (OHP), Oregon's state Medicaid program, has undergone significant changes since its initial implementation in 1994. The coordinated care organization (CCO) model was established in 2012 through the passage of House Bill 3650 ([2011](#)) and Senate Bill 1580 ([2012](#)). CCOs provide a range of health services to their members, including physical, oral, and behavioral health care, either directly or through partnerships. OHP members are assigned to a CCO based primarily on their geographic location. CCOs receive a five-year contract from the state and a fixed-growth budget from which to coordinate services for their members. Currently, there are sixteen CCOs operating regionally across Oregon, serving more 92% of Oregon's nearly 1.5 million OHP members.

While CCOs are responsible for the provision of behavioral health services, the benefit for adult mental health residential and long-term care is funded and overseen by the Oregon Health Authority (OHA) where CCOs coordinate for referrals only. The separate administration of this benefit can contribute to administrative duplication and limit opportunities for improvement within the system.

House Bill 2206 requires OHA to convene a work group to study the feasibility of transferring the responsibility and financial risk for administering the adult mental health residential service benefit from OHA to CCOs.