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To: Human Services Subcommittee
From: Gregory Jolivette, Legislative Fiscal Office
Date: June 11, 2025
Subject: SB 739 – Relating to long term care oversight
Work Session Recommendations

SB 739 makes several changes to improve the safety and regulatory oversight of residential care facilities and homes. Some of the measure's major provisions are described below.

- Requires the Department of Human Services (DHS) to begin an onsite complaint investigation within 24 hours for alleged licensing violations resulting in death.
- Requires DHS to complete investigations of licensing complaints and provide findings to the facility, the complainant, and the Long Term Care Ombudsman no later than 90 days after an investigation is initiated.
- Requires the facility to inform all residents and their designated contacts within 72 hours of receipt of the DHS summary report of substantiated noncompliance in circumstances resulting in death or serious harm to a resident.
- If DHS places a restriction on admissions to a facility, the measure requires the agency to review a facility's assertion of substantial compliance and determine within five calendar days if the facility has achieved substantial compliance, and to lift any restriction within 24 hours of a determination of substantial compliance.
- Requires DHS and the Oregon Health Authority (OHA) to inspect residential service providers within 120 days after their initial license is issued, after a change of ownership, or after receipt of an application for license renewal.
- Requires applications for residential facilities and adult foster homes to include proposed policies that demonstrate the prospective provider is prepared to respond to

emergencies and support residents with person-centered service delivery.

- Directs DHS to modify by rule memory care endorsement requirements to ensure providers meet the specialized needs of residents, including staff and administrator training, plans for elopement notification and resident transfer, and procedures for emergency evacuation and facility closures.
- Authorizes DHS and OHA to extend the license of a foster home provider to two years if the home has been in substantial compliance for three consecutive years.

The -A6 amendment narrows the circumstances in which the agency must initiate a licensing investigation within 24 hours (only in circumstances of death), removes a requirement for reports to the Legislature.

The -A8 amendment appropriates funds to DHS and OHA for staff resources to comply with the requirements of the measure. Specifically, it appropriates \$2.6 million General Fund (\$5.1 million total funds) to DHS, and \$301,014 General Fund (\$602,028 total funds) to OHA.

For the 2025-27 biennium, DHS requires \$10.7 million total funds and 53 positions (37.77 FTE); however, the DHS budget bill (SB 5526) already includes \$5.7 million total funds and 33 positions (21.27 FTE) for Policy Option Package 101, which implements several provisions of SB 739. The balance of resources required to implement the bill are provided in the proposed amendment.

Amendment

LFO recommends adoption of the –A6 amendment.

MOTION: I move adoption of the –A6 amendment to SB 739. *(vote)*

Amendment

LFO recommends adoption of the –8 amendment.

MOTION: I move adoption of the –A8 amendment to SB 739. *(vote)*

Final Subcommittee Action

LFO recommends that SB 739, as amended by the –A6 and –A8 amendments, be moved to the Ways and Means Full Committee.

MOTION: I move SB 739, as amended, to the Full Committee with a do pass recommendation. *(vote)*

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____