



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

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Date: April 9, 2025

Bill Title: Relating to behavioral health.

Government Unit(s) Affected: Oregon Health Authority

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Health Authority	\$ 1,287,329	\$ -	\$ -	\$ 977,888	\$ 2,265,217	7	5.25
Total Fiscal Impact	\$ 1,287,329	\$ -	\$ -	\$ 977,888	\$ 2,265,217	7	5.25

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Health Authority	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
Total Fiscal Impact	\$ -	\$ -	\$ -	\$ -	\$ -	-	-

Measure Description

The measure requires the Oregon Health Authority (OHA) to study the following and report their findings and recommendations to the legislature by September 15, 2026:

- Alternatives or exceptions to nurse staffing requirements in residential treatment facilities that will address workforce challenges while maintaining safety.
- Assess all methodologies approved by federal law to reimburse residential facilities.
- Determine if behavioral health services for medical assistance recipients can be paid through different federal waivers.
- Evaluate options for providing funding and capacity payments to facilities when a resident is temporarily absent.
- Determine how to fill the capacity of newly licensed facilities.

Additionally, OHA must adopt rules for supporting facilities when they develop early transition plans for residents and to establish separate licensing processes for transition aged youth and residential treatment homes. OHA must submit a progress report to the legislature by September 15, 2025, and their final report by September 15, 2026. The measure declares an emergency and is effective on passage, provisions are repealed on January 2, 2027.

Fiscal Analysis

The fiscal impact of the measure on OHA is a one-time cost of \$2.3 million total funds and seven limited duration positions (5.25 FTE). OHA will contract with a third-party to serve as the subject matter experts for Medicaid financing and service models. The contractor will conduct financial modeling, cost analyses, and evaluate service integration. The cost for this contract is estimated to be \$800,000 total funds. OHA will require additional staff

to work alongside the contractor, establish the rules required of the measure and complete reports. The estimated cost for these positions is \$1.5 million total funds. New positions include:

- One Behavioral Health Policy Manager 1 position to serve as the Young Adult Program Manager and coordinate young adult services statewide and manage the development and implementation of new rules.
- One Operations and Policy Analyst 4 position to serve as the Licensing and Certification Services Policy Analyst. This position will have oversight over policy development and rulemaking for licensing and certification.
- One Operations and Policy Analyst 3 position, to serve as the Medicaid Policy and Residential Services Analyst. This position will work with the contract to develop Medicaid policies and assure recommendations align with current state and federal requirements.
- One Project Manager 3 position to serve as the Implementation and Coordination Lead to manage timelines and deliverables for both internal staff and the contractor.
- One Program Analyst 3 position to serve as the Forensic Secure Residential Treatment Facilities Analyst. This position will be the subject matter expert for individuals requiring a forensic level of care.
- One Operations and Policy Analyst 1 position to serve as the Medicaid residential Services Operations and Data Analyst. This position will track outcomes, evaluate current procedures and policies, and support operational implementation.

Relevant Dates

The measure declares an emergency and takes effect on passage, the measure is repealed on January 2, 2027.

OHA must submit one report by September 15, 2025, and two reports by September 15, 2026