

## HB 2206 A STAFF MEASURE SUMMARY

### House Committee On Behavioral Health and Health Care

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**Action Date:** 04/08/25

**Action:** Do pass with amendments and be referred to Ways and Means by prior reference.  
(Printed A-Eng.)

**Vote:** 8-1-0-0

**Yeas:** 8 - Diehl, Isadore, Javadi, McIntire, Munoz, Nelson, Nosse, Pham H

**Nays:** 1 - Harbick

**Fiscal:** Fiscal impact issued

**Revenue:** No revenue impact

**Prepared By:** Alexandra Kihn-Stang, LPRO Analyst

**Meeting Dates:** 3/4, 4/8

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#### WHAT THE MEASURE DOES:

The measure requires the Oregon Health Authority (OHA) to convene a workgroup 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

- Defines terms, care settings, and facility types. Defines "independent qualified agent."
- Directs OHA to convene or contract with a third party to convene a workgroup to study the feasibility of transferring the responsibility and financial risk for administering adult residential mental health service benefits to state medical assistance program enrollees from OHA to CCOs for CCO members. Specifies what the study must include.
- Requires workgroup to develop a plan for the transfer of responsibility, including identifying objectives, assessing viability, and creating phased implementation timelines by facility type. Requires workgroup 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, in partnership with workgroup members, to hire a consultant to assist the workgroup by August 1, 2025.
- Specifies workgroup membership. Stipulates that the workgroup must have its first meeting by October 1, 2025.
- Requires OHA to report initial recommendations of the workgroup to the Legislative Assembly by December 15, 2027, and final recommendations by December 15, 2028.
- Sunsets workgroup on January 2, 2029.
- Declares an 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 by CCOs
- Adult residential mental treatment facility capacity and availability

#### EFFECT OF AMENDMENT:

Replaces the measure.

#### 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

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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 than 92 percent of Oregon's nearly 1.5 million OHP members.

CCOs are responsible for the provision of behavioral health services while 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 A requires the Oregon Health Authority (OHA) to convene a workgroup 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.