

SB 909 A STAFF MEASURE SUMMARY

Senate Committee On Human Services

Action Date: 04/09/25

Action: Do pass with amendments and requesting referral to Ways and Means. (Printed A-Engrossed.)

Vote: 4-1-0-0

Yeas: 4 - Gelser Blouin, Nash, Prozanski, Reynolds

Nays: 1 - Linthicum

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 2/27, 4/1, 4/3, 4/9

WHAT THE MEASURE DOES:

The measure 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 (Section 1)

- 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 (Section 2)

- 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 or functional needs assessment 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 3)

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

Federal Approval & Operative Dates (Sections 4 to 6)

- Directs the Oregon Health Authority to seek necessary waivers or approvals from the Centers for Medicare and Medicaid Services by January 1, 2026, and inform the Legislative Counsel upon receipt of decision.
- Makes provisions operative on the day that the Legislative Counsel receives notice confirming the federal approval obtained.
- Permits the Oregon Health Authority and the Department of Human Services to take preliminary actions before the operative date.
- Declares emergency, effective on passage.

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 psychiatric facilities for youth

EFFECT OF AMENDMENT:

The amendment replaces the measure. The amendment removes provisions that require the Oregon Health Authority (OHA) to provide home and community-based services and supports for youth under age 21 with serious emotional disturbance. The amendment removes the requirement for OHA and the Department of Human Services (ODHS) to disregard parental income for youth under age 18 who meet the level of care criteria for admission to a psychiatric facility for youth under age 21. The amendment removes the requirement for OHA and ODHS to notify parents that education providers may be notified about the action to disregard parental income.

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 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.