

**SB 296 B BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Rep. Nosse

**Joint Committee On Ways and Means**

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**Action Date:** 06/17/25

**Action:** Do Pass the B-Eng bill.

**House Vote**

**Yeas:** 11 - Bowman, Breese-Iverson, Cate, Drazan, Evans, Gomberg, Levy E, Owens, Sanchez, Smith G, Valderrama

**Exc:** 1 - Ruiz

**Senate Vote**

**Yeas:** 11 - Anderson, Bonham, Broadman, Campos, Frederick, Girod, Lieber, Manning Jr, McLane, Smith DB, Sollman

**Prepared By:** Stacey Chase and Michael Streepey, Department of Administrative Services

**Reviewed By:** Chelsey Herrmann, Legislative Fiscal Office

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**Department of Human Services**

**2025-27**

**Oregon Health Authority**

**2025-27**

## **Budget Summary\***

	2023-25 Legislatively Approved Budget <sup>(1)</sup>		2025-27 Current Service Level		2025-27 Committee Recommendation		Committee Change from 2023-25 Leg. Approved	
							\$ Change	% Change
<b>Oregon Department of Human Services</b>								
General Fund	\$	-	\$	-	\$	2,135,440	\$ 2,135,440	100.0%
Federal Funds Limited	\$	-	\$	-	\$	2,135,440	\$ 2,135,440	100.0%
<b>Oregon Health Authority</b>								
General Fund	\$	-	\$	-	\$	1,870,452	\$ 1,870,452	100.0%
Federal Funds Limited	\$	-	\$	-	\$	2,474,207	\$ 2,474,207	100.0%
Total	\$	-	\$	-	\$	8,615,539	\$ 8,615,539	100.0%

## **Position Summary**

### **Oregon Department of Human Services**

Authorized Positions	0	0	6	6
Full-time Equivalent (FTE) positions	0.00	0.00	5.28	5.28

### **Oregon Health Authority**

Authorized Positions	0	0	3	3
Full-time Equivalent (FTE) positions	0.00	0.00	1.88	1.88

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

Senate Bill 296 appropriates \$2,135,440 General Fund and increases Federal Funds expenditure limitation by \$2,135,440 for the Department of Human Services (DHS). The measure also appropriates \$1,870,452 General Fund and increases Federal Funds expenditure limitation by \$2,474,207 for the Oregon Health Authority (OHA) for both agencies to coordinate long term care services and supports.

## **Summary of Human Services Subcommittee Action**

Senate Bill 296 requires DHS, OHA, and the Housing and Community Services Department (HCSD) to improve hospital discharges and specifies actions to be taken by each of the agencies. The bill requires DHS and OHA to coordinate to:

- Create a dashboard that measures processing times for eligibility determinations made by DHS, OHA, and the area agencies on aging for long term care services and supports provided through the medical assistance program.
- Conduct an operational review of eligibility determinations for long term care services and supports and submit a report to the legislature by August 15, 2026.
- Study the regulatory governance for facilities serving individuals with complex medical or behavioral conditions and submit a report to the legislature by August 15, 2026.
- Study options to expand medical respite programs and submit a report to the legislature by August 15, 2026.

Additionally, OHA must provide a post-hospital extended care benefit to Medicaid recipients and include this benefit in new contracts with coordinated care organizations (CCOs) and seek federal approval by September 1, 2025.

Finally, DHS and HCSD shall coordinate to study how building codes may affect adult foster homes and community-based care settings and submit a report to the legislature by August 15, 2026.

For DHS, Senate Bill 296 appropriates \$2,135,440 General Fund, increases Federal Funds expenditure limitation by \$2,135,440, and establishes six full-time, limited duration positions (5.28 FTE). Within these amounts, this includes \$1,429,431 in one-time General Fund to support services and supplies costs related to the additional positions and various contracts outlined below. The associated Federal Funds expenditure limitation related to services and supplies is also one-time. The new positions include:

- One Project Manager 2 (0.88 FTE) to manage the deliverables of the bill and provide interagency coordination.
- One Information Security Specialist 6 (0.88 FTE) to support the dashboard creation.
- Four Operations and Policy Analyst 3 positions (3.52 FTE) to assist contractors, conduct research and analysis, and develop the required reports.

The additional services and supplies funding is to support contracts to research and report on the following:

- The operational review on eligibility determinations for long term care services and supports.
- Options to waive or streamline asset testing for long term care services.
- The regulatory governance for adult foster homes and residential care facilities.
- The impact separate licensing requirements have on adult foster homes and residential care facilities.
- The impact of civil penalties assessed against adult foster homes and residential care facilities.

- Opportunities to offset the cost of creating new adult foster homes and other community-based care settings.

For OHA, the bill appropriates \$1,870,452 General Fund, increases Federal Funds expenditure limitation by \$2,474,207, and establishes three positions as follows:

- One full-time, permanent Operations and Policy Analyst 3 (0.75 FTE) to implement the post-hospital extended care benefit and serve as the subject matter expert for CCOs and the agency.
- One full-time, limited duration Operations and Policy Analyst 3 (0.50 FTE) to research and report on the regulatory governance of adult foster homes and residential care facilities.
- One full-time, limited duration Research Analyst 3 (0.63 FTE) to collect and analyze data for the medical respite study.

The estimated cost for increasing the post-hospital extended care benefit from 20 days to 100 days is \$3,834,201 total funds, starting January 1, 2026. Currently, there are 194 individuals in a post-hospital extended stay either through the Healthier Oregon Program or the Oregon Health Plan - this projection assumes a utilization increase of 30% in 2025-27. The projection does not include a factor for earlier hospital discharges, nor does it include potential savings for reducing re-admissions to hospitals or emergency rooms.

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Department of Human Services and Oregon Health Authority  
Mike Streepey -- (971) 283-1198 and Stacey Chase -- (503) 689-4308

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>										
<b>Oregon Department of Human Services</b>										
<b>SCR 010-40 - Central Services</b>										
Personal Services	\$ 706,009	\$ -	\$ -	\$ -	\$ 706,009	\$ -	\$ 1,412,018	6	5.28	
Services and Supplies	\$ 1,429,431	\$ -	\$ -	\$ -	\$ 1,429,431	\$ -	\$ 2,858,862			
<b>Oregon Health Authority</b>										
<b>SCR 030-02 - Health Policy and Analytics</b>										
Personal Services	\$ 120,767	\$ -	\$ -	\$ -	\$ 21,313	\$ -	\$ 142,080	1	0.63	
Services and Supplies	\$ 7,361	\$ -	\$ -	\$ -	\$ 1,299	\$ -	\$ 8,660			
<b>SCR 030-07 - Medicaid</b>										
Personal Services	\$ 99,664	\$ -	\$ -	\$ -	\$ 99,664	\$ -	\$ 199,328	1	0.75	
Services and Supplies	\$ 4,624	\$ -	\$ -	\$ -	\$ 4,624	\$ -	\$ 9,248			
Special Payments	\$ 1,562,465	\$ -	\$ -	\$ -	\$ 2,271,736	\$ -	\$ 3,834,201			
<b>SCR 030-08 - Behavioral Health</b>										
Personal Services	\$ 71,533	\$ -	\$ -	\$ -	\$ 71,533	\$ -	\$ 143,065	1	0.50	
Services and Supplies	\$ 4,039	\$ -	\$ -	\$ -	\$ 4,039	\$ -	\$ 8,077			
TOTAL ADJUSTMENTS	\$ 4,005,892	\$ -	\$ -	\$ -	\$ 4,609,647	\$ -	\$ 8,615,539	9	7.16	
SUBCOMMITTEE RECOMMENDATION *	\$ 4,005,892	\$ -	\$ -	\$ -	\$ 4,609,647	\$ -	\$ 8,615,539	9	7.16	

\*Excludes Capital Construction Expenditures