

Enrolled House Bill 2015

Sponsored by Representative NOSSE; Representatives DIEHL, HARBICK, PHAM H (Pre-session filed.)

CHAPTER

AN ACT

Relating to behavioral health; and declaring an emergency.

Whereas licensed residential behavioral health programs in Oregon face hurdles to development and ongoing operations that are impacting the state's ability to quickly benefit from current and future investments designed to increase bed capacity; and

Whereas the Oregon Health Authority is encouraged to study options to overcome barriers, both administrative and financial, that are preventing the state from optimally developing and operating residential behavioral health programs across Oregon; now, therefore,

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) As used in this section:

(a) "Facility" means:

- (A) A residential treatment facility;**
- (B) A residential treatment home;**
- (C) A secure residential treatment facility; or**
- (D) A secure residential treatment home.**

(b) "Medical assistance" has the meaning given that term in ORS 414.025.

(c) "Residential treatment facility" has the meaning given that term in ORS 443.400.

(d) "Residential treatment home" has the meaning given that term in ORS 443.400.

(e) "Secure residential treatment facility" means a facility described in ORS 443.465.

(f) "Secure residential treatment home" means a home described in ORS 443.465.

(2) The Oregon Health Authority shall:

(a) Study potential allowable alternatives or exceptions to current nurse staffing requirements in secure residential treatment facilities to address workforce challenges while balancing the safety of providers and consumers.

(b) Assess all methodologies permitted by federal law for reimbursing facilities. The authority shall consider alternatives to the current reimbursement rate methodology used by the authority and recommend a methodology that considers:

(A) Staffing costs for a facility;

(B) The need to incentivize a facility to hold open a resident's room when a resident is removed from the facility for a brief period of time;

(C) The need to pay facility staff a professional wage;

(D) The need to incentivize a facility to operate, develop and staff as large of a program as is possible and safe; and

(E) The need to encourage facilities to serve residents with similar levels of care needs.

(c) Determine whether the authority may, under federal law, administer residential behavioral health services to medical assistance recipients through options other than through the state's Home and Community-Based Services waiver, under 42 U.S.C. 1396n(c), or a state plan amendment under 42 U.S.C. 1396n(i). To the extent that alternative models of administering residential behavioral health services to medical assistance recipients are permissible under federal law, the authority shall:

(A) Analyze alternative models that have been approved by the Centers for Medicare and Medicaid Services for use in other states;

(B) Evaluate the cost of any alternative models; and

(C) Develop recommendations about:

(i) Alternative options that would allow the authority to increase reimbursement rates for facilities;

(ii) Alternative options that would not subject facilities to a requirement that facilities provide an eviction process that is as protective as state landlord-tenant law;

(iii) How alternative models may support facilities in serving residents with high acuity behavioral health needs and what protections are available to ensure that residents with high acuity behavioral health needs are not prematurely or inappropriately discharged for problematic behaviors;

(iv) A discharge process for residents who decline to participate in treatment and are therefore not suited for continued services by a facility; and

(v) An appeal process for both facilities and residents.

(d) Determine the feasibility of supporting the direct discharge of a resident, when deemed medically necessary and clinically prudent, from a facility to other types of housing without requiring a third-party referral.

(e) Evaluate options for providing, and develop recommendations for funding, capacity payments to facilities when a resident is hospitalized or temporarily absent due to a law enforcement encounter.

(f) Study needed actions and take appropriate actions to fill the capacity of newly licensed facilities.

(3) No later than September 15, 2026, the authority shall report its findings and recommendations from the studies conducted under this section, in the manner provided in ORS 192.245, to the interim committees of the Legislative Assembly related to health.

SECTION 2. (1) As used in this section:

(a) "Facility" means:

(A) A residential treatment facility;

(B) A residential treatment home;

(C) A secure residential treatment facility; or

(D) A secure residential treatment home.

(b) "Residential treatment facility" has the meaning given that term in ORS 443.400.

(c) "Residential treatment home" has the meaning given that term in ORS 443.400.

(d) "Secure residential treatment facility" means a facility described in ORS 443.465.

(e) "Secure residential treatment home" means a home described in ORS 443.465.

(f) "Transition aged youth residential treatment home" means a residential treatment home for young adults between the ages of 17.5 and 25 years of age who experience complex behavioral health challenges.

(2) The Oregon Health Authority shall adopt rules to:

(a) Support facilities in developing early transition plans for residents.

(b) Establish a separate licensing process for transition aged youth residential treatment homes.

(3) No later than September 15, 2025, the authority shall submit an interim report, in the manner provided in ORS 192.245, to the interim committees of the Legislative Assembly re-

lated to health, about the authority's progress in carrying out the provisions of this section and any recommendations for needed legislative changes.

(4) No later than September 15, 2026, the authority shall submit a final report, in the manner provided in ORS 192.245, to the interim committees of the Legislative Assembly related to health, about the authority's progress in carrying out the provisions of this section and any recommendations for needed legislative changes.

SECTION 3. Notwithstanding any other provision of law, the General Fund appropriation made to the Oregon Health Authority by section 1 (1), chapter __, Oregon Laws 2025 (Enrolled House Bill 5025), for the biennium beginning July 1, 2025, is increased by \$706,070 to carry out the provisions of sections 1 and 2 of this 2025 Act.

SECTION 4. Notwithstanding any other provision of law, the General Fund appropriation made to the Oregon Health Authority by section 1 (2), chapter __, Oregon Laws 2025 (Enrolled House Bill 5025), for the biennium beginning July 1, 2025, is increased by \$581,259 to carry out the provisions of sections 1 and 2 of this 2025 Act.

SECTION 5. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 5 (1), chapter __, Oregon Laws 2025 (Enrolled House Bill 5025), for the biennium beginning July 1, 2025, as the maximum limit for payment of expenses from federal funds, excluding federal funds described in section 2, chapter __, Oregon Laws 2025 (Enrolled House Bill 5025), collected or received by the Oregon Health Authority, is increased by \$706,070 to carry out the provisions of sections 1 and 2 of this 2025 Act.

SECTION 6. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 5 (2), chapter __, Oregon Laws 2025 (Enrolled House Bill 5025), for the biennium beginning July 1, 2025, as the maximum limit for payment of expenses from federal funds, excluding federal funds described in section 2, chapter __, Oregon Laws 2025 (Enrolled House Bill 5025), collected or received by the Oregon Health Authority, is increased by \$271,818 to carry out the provisions of sections 1 and 2 of this 2025 Act.

SECTION 7. Sections 1 and 2 of this 2025 Act are repealed on January 2, 2027.

SECTION 8. This 2025 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect on its passage.

Passed by House June 18, 2025

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Timothy G. Sekerak, Chief Clerk of House

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Julie Fahey, Speaker of House

Passed by Senate June 23, 2025

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Rob Wagner, President of Senate

Received by Governor:

.....M,....., 2025

Approved:

.....M,....., 2025

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Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M,....., 2025

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Tobias Read, Secretary of State