

Senate Bill 1195

Sponsored by COMMITTEE ON EARLY CHILDHOOD AND BEHAVIORAL HEALTH

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act tells OHA to make new rules and study certain residential mental health settings. (Flesch Readability Score: 61.8).

Directs the Oregon Health Authority to conduct studies and adopt rules relating to residential treatment facilities, residential treatment homes, secure residential treatment facilities and secure residential treatment homes. Requires the authority to report findings and recommendations to the Legislative Assembly.

Sunsets on January 2, 2027.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

Relating to residential behavioral health services; 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:

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (A) Staffing costs for a facility;

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

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

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

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

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

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

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

17 (C) Develop recommendations about:

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

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

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

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

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

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

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

35 (3) No later than September 15, 2026, the authority shall report its findings and recom-
36 mendations from the studies conducted under this section, in the manner provided in ORS
37 192.245, to the interim committees of the Legislative Assembly related to health.

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

39 (a) "Facility" means:

40 (A) A residential treatment facility;

41 (B) A residential treatment home;

42 (C) A secure residential treatment facility; or

43 (D) A secure residential treatment home.

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

45 (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) Allow a new residential treatment facility or residential treatment home to accept a conditional referral of a prospective resident before the licensure process has been completed, subject to a requirement that the prospective resident may not be placed in the new residential treatment facility or residential treatment home until the licensure process has been completed.

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

(c) 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 related 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. Sections 1 and 2 of this 2025 Act are repealed on January 2, 2027.

SECTION 4. 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.