

B-Engrossed
Senate Bill 296

Ordered by the Senate June 19
Including Senate Amendments dated March 19 and June 19

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Health Care)

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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act tells DHS, OHA and OHCS to take actions designed to improve hospital discharges. (Flesch Readability Score: 61.8).

Directs the Department of Human Services and the Oregon Health Authority to study ways to expedite the eligibility determination process for long term care services and supports. Directs the department and the authority to study needed changes to the regulatory framework for certain facilities that serve residents with complex medical or behavioral health conditions. Directs the department and the authority to study options to expand medical respite programs and to partner with coordinated care organizations and insurers that offer Medicare Advantage Plans for individuals who are dually eligible for Medicare and Medicaid to promote timely and appropriate hospital discharges. Directs the authority to establish a post-hospital extended care benefit to cover a medical assistance recipient's stay in a skilled nursing facility for up to 100 days and seek any necessary federal approval.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to hospital discharge challenges; and declaring an emergency.

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

4 **SECTION 1. The Department of Human Services and the Oregon Health Authority shall**
5 **create a dashboard to measure the amount of time it takes the department, the authority**
6 **and area agencies, as defined in ORS 410.040, to complete eligibility determinations for long**
7 **term care services and supports provided through the medical assistance program.**

8 **SECTION 2. (1) The Department of Human Services and the Oregon Health Authority**
9 **shall conduct an operational review to streamline eligibility determinations for long term**
10 **care services and supports provided through the medical assistance program. In conducting**
11 **the operational review, the department and the authority shall:**

12 (a) **Conduct a baseline analysis, using data from the dashboard described in section 1 of**
13 **this 2025 Act, of average processing times for functional and financial assessments of indi-**
14 **viduals in acute and post-acute care settings;**

15 (b) **Develop, in consultation with providers and stakeholders, benchmarks for improving**
16 **processing times for functional and financial assessments of individuals in acute and post-**
17 **acute care settings;**

18 (c) **Identify a target date for the department and the authority to meet the benchmarks**
19 **developed under this subsection;**

20 (d) **Explore technologies, including the automation of agency and provider workflows, to**

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 meet the benchmarks developed under this subsection;

2 (e) Explore potential changes to staff assignments and workflows, including the creation
3 of dedicated teams for complex cases, to meet the benchmarks developed under this sub-
4 section;

5 (f) Develop and publish protocols for communication and case management to be utilized
6 when delays occur in conducting a functional or financial assessment of individuals in acute
7 and post-acute care settings;

8 (g) Develop a decision tree to help hospital staff navigate the processes used by the de-
9 partment and the authority in conducting eligibility determinations; and

10 (h) Explore payment model options for providing short-term, temporary coverage while
11 an eligibility determination is pending for individuals who are presumptively eligible for long
12 term care services and supports provided through the medical assistance program.

13 (2) The department and the authority shall submit a report in the manner provided by
14 ORS 192.245, and may include recommendations for legislation, to the interim committees
15 of the Legislative Assembly related to health no later than August 15, 2026.

16 **SECTION 3. (1) As used in this section:**

17 (a) "Enhanced care services" means intensive behavioral and rehabilitative mental health
18 services provided to eligible seniors, persons with physical disabilities or adults with mental
19 illness who reside in a facility.

20 (b) "Facility" means:

21 (A) An adult foster home, as defined in ORS 443.705, that serves eligible seniors, persons
22 with physical disabilities or adults with mental illness.

23 (B) A residential care facility, as defined in ORS 443.400.

24 (C) A residential treatment facility, as defined in ORS 443.400.

25 (D) A residential treatment home, as defined in ORS 443.400.

26 (c) "Specific needs contract" means a contract between the Department of Human Ser-
27 vices or the Oregon Health Authority and a facility to reimburse the facility at a higher rate
28 for a resident whose care needs exceed the level of services that the facility would typically
29 provide.

30 (2) The Department of Human Services and the Oregon Health Authority shall study the
31 regulatory framework for facilities that serve residents who have complex medical or be-
32 havioral health conditions. In conducting the study, the department and the authority shall:

33 (a) Assess the resources needed to expand existing enhanced care services and specific
34 needs contracts statewide, including the public and private sector workforce needed to im-
35 plement:

36 (A) Any proposed expansion of enhanced care services or specific needs contracts; or

37 (B) Other models for supporting facilities that serve residents who have complex medical
38 or behavioral health conditions;

39 (b) Evaluate the impact on residents who have complex medical or behavioral health
40 conditions of having separate licensing requirements for facilities licensed by:

41 (A) The division of the department that provides services for seniors and persons with
42 physical disabilities; and

43 (B) The authority; and

44 (c) Review the use and impact of civil penalties assessed against facilities.

45 (3) The department and the authority shall submit a report in the manner provided by

1 **ORS 192.245, and may include recommendations for legislation, to the interim committees**
2 **of the Legislative Assembly related to health and human services no later than August 15,**
3 **2026.**

4 **SECTION 4. (1) As used in this section, “adult foster home” has the meaning given that**
5 **term in ORS 443.705.**

6 **(2)(a) The Department of Human Services and the Housing and Community Services De-**
7 **partment shall study:**

8 **(A) Opportunities to offset the cost of creating new adult foster homes and other**
9 **community-based care settings; and**

10 **(B) The impact on adult foster homes and other community-based care settings of**
11 **building code requirements, including the installation of automatic sprinkler systems.**

12 **(b) The departments shall submit a report in the manner provided by ORS 192.245, and**
13 **may include recommendations for legislation, to the interim committees of the Legislative**
14 **Assembly related to health and human services no later than August 15, 2026.**

15 **SECTION 5. (1) As used in this section:**

16 **(a) “Coordinated care organization,” “dually eligible for Medicare and Medicaid” and**
17 **“medical assistance” have the meanings given those terms in ORS 414.025.**

18 **(b) “Home health services” has the meaning given that term in ORS 443.014.**

19 **(c) “In-home care services” has the meaning given that term in ORS 443.305.**

20 **(d) “Medical respite” means acute and post-acute medical care for individuals experienc-**
21 **ing homelessness who are too ill or frail to recover from a physical illness or injury but who**
22 **do not require hospitalization.**

23 **(e) “Medicare Advantage Plan” means a health benefit plan under Part C of subchapter**
24 **XVIII, chapter 7, Title 42 of the United States Code.**

25 **(f) “Traditional health worker” has the meaning given that term in ORS 414.665.**

26 **(2) The Department of Human Services and the Oregon Health Authority shall study**
27 **options to:**

28 **(a) Coordinate and expand medical respite programs statewide, including by:**

29 **(A) Partnering with coordinated care organizations and homeless services providers to**
30 **expand medical respite programs through existing initiatives administered by coordinated**
31 **care organizations;**

32 **(B) Coordinating the delivery of medical respite with the provision of housing supports**
33 **through the Medicaid demonstration project under section 1115 of the Social Security Act (42**
34 **U.S.C. 1315);**

35 **(C) Providing reimbursement for home health services and in-home care services in**
36 **shelters; and**

37 **(D) Expanding medical assistance to include medical respite and seeking any necessary**
38 **federal approvals, including approval to allow the state to receive federal financial partic-**
39 **ipation in the costs of providing medical respite.**

40 **(b) Partner with coordinated care organizations and insurers that offer Medicare Ad-**
41 **vantage Plans for individuals who are dually eligible for Medicare and Medicaid to promote**
42 **timely and appropriate hospital discharges, including by:**

43 **(A) Requiring coordinated care organizations and insurers that offer Medicare Advantage**
44 **Plans for individuals who are dually eligible for Medicare and Medicaid to provide more tar-**
45 **geted care coordination and case management for individuals who are being discharged from**

1 a hospital;

2 (B) Strengthening the integration of hospital discharge planning and the health-related
3 social needs services approved for the Medicaid demonstration project under section 1115 of
4 the Social Security Act (42 U.S.C. 1315);

5 (C) Strengthening coordinated care organization use of traditional health worker net-
6 works for care transition support; and

7 (D) Promoting access to home modification services and supports to enable an individual
8 to discharge from the hospital to the individual's home.

9 (3) The department and the authority shall submit a report in the manner provided by
10 ORS 192.245, and may include recommendations for legislation, to the interim committees
11 of the Legislative Assembly related to health no later than August 15, 2026.

12 **SECTION 6.** (1) As used in this section:

13 (a) "Coordinated care organization" and "medical assistance" have the meanings given
14 those terms in ORS 414.025.

15 (b) "Post-hospital extended care benefit" means short-term medical assistance provided
16 for an individual's stay in a skilled nursing facility to allow the individual to discharge from
17 a hospital.

18 (c) "Skilled nursing facility" has the meaning given that term in ORS 442.015.

19 (2) The Oregon Health Authority shall establish a post-hospital extended care benefit to
20 cover a medical assistance recipient's stay in a skilled nursing facility for up to 100 days.

21 (3) The authority shall incorporate the post-hospital extended care benefit under this
22 section into any contract entered into between the authority and a coordinated care organ-
23 ization.

24 **SECTION 7.** Sections 2 to 5 of this 2025 Act are repealed on January 2, 2027.

25 **SECTION 8.** Section 6 of this 2025 Act applies to contracts between a coordinated care
26 organization and the Oregon Health Authority entered into, amended or renewed on or after
27 the operative date specified in section 10 of this 2025 Act.

28 **SECTION 9.** No later than September 1, 2025, the Oregon Health Authority shall request
29 federal approval as necessary to carry out the provisions of section 6 of this 2025 Act.

30 **SECTION 10.** (1) Section 6 of this 2025 Act becomes operative on the date that the Cen-
31 ters for Medicare and Medicaid Services approves the request made pursuant to section 9
32 of this 2025 Act to carry out the provisions of section 6 of this 2025 Act.

33 (2) The Oregon Health Authority shall immediately notify the Legislative Counsel if the
34 Centers for Medicare and Medicaid Services approves or disapproves, in whole or in part, the
35 request made pursuant to section 9 of this 2025 Act.

36 **SECTION 11.** Notwithstanding any other provision of law, the General Fund appropriation
37 made to the Department of Human Services by section 1 (1), chapter __, Oregon Laws 2025
38 (Enrolled Senate Bill 5526), for the biennium beginning July 1, 2025, for central services, is
39 increased by \$2,135,440.

40 **SECTION 12.** Notwithstanding any other provision of law, the General Fund appropriation
41 made to the Oregon Health Authority by section 1 (1), chapter __, Oregon Laws 2025 (En-
42 rolled House Bill 5025), for the biennium beginning July 1, 2025, for Medicaid, is increased by
43 \$1,666,753.

44 **SECTION 13.** Notwithstanding any other provision of law, the General Fund appropriation
45 made to the Oregon Health Authority by section 1 (2), chapter __, Oregon Laws 2025 (En-

1 rolled House Bill 5025), for the biennium beginning July 1, 2025, for behavioral health, is in-
2 creased by \$75,571.

3 **SECTION 14.** Notwithstanding any other provision of law, the General Fund appropriation
4 made to the Oregon Health Authority by section 1 (3), chapter __, Oregon Laws 2025 (En-
5 rolled House Bill 5025), for the biennium beginning July 1, 2025, for health policy and ana-
6 lytics, is increased by \$128,128.

7 **SECTION 15.** Notwithstanding any other law limiting expenditures, the limitation on
8 expenditures established by section 3 (1), chapter __, Oregon Laws 2025 (Enrolled Senate
9 Bill 5526), for the biennium beginning July 1, 2025, as the maximum limit for payment of ex-
10 penses from federal funds, excluding federal funds described in section 2, chapter __, Oregon
11 Laws 2025 (Enrolled Senate Bill 5526), collected or received by the Department of Human
12 Services, for central services, is increased by \$2,135,440.

13 **SECTION 16.** Notwithstanding any other law limiting expenditures, the limitation on
14 expenditures established by section 5 (1), chapter __, Oregon Laws 2025 (Enrolled House Bill
15 5025), for the biennium beginning July 1, 2025, as the maximum limit for payment of expenses
16 from federal funds, excluding federal funds described in section 2, chapter __, Oregon Laws
17 2025 (Enrolled House Bill 5025), collected or received by the Oregon Health Authority, for
18 Medicaid, is increased by \$2,376,024.

19 **SECTION 17.** Notwithstanding any other law limiting expenditures, the limitation on
20 expenditures established by section 5 (2), chapter __, Oregon Laws 2025 (Enrolled House Bill
21 5025), for the biennium beginning July 1, 2025, as the maximum limit for payment of expenses
22 from federal funds, excluding federal funds described in section 2, chapter __, Oregon Laws
23 2025 (Enrolled House Bill 5025), collected or received by the Oregon Health Authority, for
24 behavioral health, is increased by \$75,571.

25 **SECTION 18.** Notwithstanding any other law limiting expenditures, the limitation on
26 expenditures established by section 5 (3), chapter __, Oregon Laws 2025 (Enrolled House Bill
27 5025), for the biennium beginning July 1, 2025, as the maximum limit for payment of expenses
28 from federal funds, excluding federal funds described in section 2, chapter __, Oregon Laws
29 2025 (Enrolled House Bill 5025), collected or received by the Oregon Health Authority, for
30 health policy and analytics, is increased by \$22,612.

31 **SECTION 19.** This 2025 Act being necessary for the immediate preservation of the public
32 peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect
33 on its passage.