
MEMORANDUM

Legislative Fiscal Office
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To: Human Services Subcommittee of the Joint Committee on Ways and Means

From: Linda Ames, Legislative Fiscal Office
503-986-1816

Date: June 16, 2015

Subject: HB 3230-A Relating to registered residential facilities
Work Session Recommendation

HB 3230-A requires registration of community-based structured housing, which is defined as congregate housing, excluding residential care or treatment, where services and supports are provided to assist residents who have mental, emotional, behavioral or substance abuse disorders. The bill would authorize the Oregon Health Authority (OHA) to establish licensing standards and review processes for these facilities.

The measure previously had hearings in the House Committee on Health Care on 3/30/15 and 4/20/2015 and in this Subcommittee on 6/3/15.

OHA estimated that they would need one full-time position to oversee the registration and inspection for these newly defined community-based structured housing facilities. The Legislative Fiscal Office is recommending only a half-time position, for a total of \$106,320 General Fund. The OHA budget is expected to include a policy package with four new positions that would allow the agency to centralize regulatory responsibilities for the oversight of community-based mental health programs that already require certification. The expectation is that with the total of 4.50 FTE, the agency could manage the overall workload. There is considerable uncertainty as to the number of these new facilities that exist, and if the workload is much higher than anticipated, the agency may need to return to the Legislature to request additional resources.

The proposed -A2 amendment adds the General Fund appropriation of \$106,320 to the bill.

The measure is recommended to be amended and moved to the Full Committee on Joint Ways and Means.

Motion: I move to adopt the -A2 amendment and move HB 3230-A as amended to the Joint Committee on Ways and Means with a "do pass" recommendation.

Assignment of Carriers

Full: _____

Senate: _____

House: _____

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3230 - A**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***Prepared by: Kim To
Reviewed by: Linda Ames
Date: 5/27/2015**Measure Description:**

Modifies registration requirements for certain residential facilities.

Government Unit(s) Affected:

Oregon Health Authority (OHA)

Summary of Expenditure Impact:

	2015-17 Biennium	2017-19 Biennium
Personal Services	\$166,011	\$166,001
Services & Supplies	39,000	29,059
TOTAL GENERAL FUND	\$205,011	\$195,060
Positions	1	1
FTE	1.00	1.00

Summary of Revenue Impact:

	2015-17 Biennium	2017-19 Biennium
Registration Fees	2,000	2,000
Total Other Funds	\$2,000	\$2,000

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

House Bill 3230 modifies statutes governing the licensing of residential treatment facilities and homes, as well as registered residential facilities. The bill:

- Defines “community-based structured housing” to mean congregate housing, excluding residential care or treatment, where services and support are provided by the owner and operator of the facility to assist residents who have mental, emotional, behavioral or substance abuse disorders.
- Defines “congregate housing” to mean housing in which each resident has a private or shared bedroom or living quarters and shares with other residents a dining room, recreational room and other common areas.
- Requires the owner or operator of a community-based structured housing facility offered to the general public to register with either the Oregon Health Authority (OHA) or the Department of Human Services (DHS) if the facility meets certain conditions. The bill establishes this registration fee at \$20.
- Directs DHS and OHA to establish by rule the standards for these community-based structured housing facilities.
- Authorizes DHS and OHA to impose a civil penalty not to exceed \$200 for facilities operating without registration or violation of standards.

- Stipulates that rules must be developed to seek to reduce any redundancies for facilities that are subject to multiple federal, state, or local regulatory reviews.
- Permits the DHS and OHA to waive the registration process if the authority determines that the review of another governmental entity was substantially similar or superior to OHA's review.
- Authorizes OHA to investigate complaints regarding these facilities, including complaints of abuse.

The bill contains an emergency clause and takes effect on passage.

Currently, there are programs that house and provide services to individuals where neither the setting, nor the services provided meet the statutory definition of a residential treatment facility or home. Therefore, the Oregon Health Authority does not have the authority to license these programs, and these facilities are not subject to any of the safeguards provided by statutes governing residential treatment facilities. This bill would authorize OHA to establish licensing standards and review processes to ensure the safety and well-being of individuals with mental illness or substance use disorders living in congregate housing settings.

If this bill becomes law, the Addictions and Mental Health Services Division of the Oregon Health Authority will take on the responsibility of carrying out the provisions of the bill. OHA estimates the fiscal impact of this bill to be \$205,011 General Fund and 1.00 FTE for the 2015-17 biennium. This amount reflects the Personal Services and related Services and Supplies for one Compliance Specialist 3 position charged with overseeing the registration and inspection for these newly defined community-based structured housing facilities. This bill conservatively projects that approximately 50 of these newly defined facilities would require registration per year.

STAFF MEASURE SUMMARY

House Committee On Health Care

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date: 04/20/15

Action: Do Pass As Amended, Be Printed Engrossed, And Bill Be Referred To Ways
And Means.

Meeting Dates: 03/30, 04/20

Vote:

Yeas: 9 - Buehler, Clem, Greenlick, Hayden, Kennemer, Keny-Guyer, Lively, Nosse, Weidner

Prepared By: Sandy Thiele-Cirka, Committee Administrator

WHAT THE MEASURE DOES:

Defines community-based structured housing. Specifies that community-based structured housing be required to register with the Oregon Health Authority (OHA). Directs OHA and the Department of Human Services to develop standards for registered facilities. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Current residential facilities that are not required to be registered
- Need for standards and oversight
- Need for housing options for communities
- Currently classifications for registered facilities
- Creating an inventory of community-based structured housing programs

EFFECT OF COMMITTEE AMENDMENT:

Clarifies that only community-based structured housing be required to be registered.

BACKGROUND:

A residential care facility (RCF) is a building or complex consisting of shared or individual living unit in a home-like environment where six or more seniors and adult persons with disabilities may reside. The facility offers and coordinates a range of supportive services available on a 24-hour basis to meet the activities of daily living, health and social needs of the residents, using a program approach that promotes resident self-direction and participation in decisions that emphasize choice, dignity, privacy, individuality, independence and home-like surroundings.

Currently, there are programs that house and provide services to individuals where neither the setting, nor the services meet the statutory definition of a RCF or home.

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 3230**

1 On page 1 of the printed A-engrossed bill, line 2, after the semicolon in-
2 sert “creating new provisions;”.

3 On page 3, after line 21, insert:

4 **“SECTION 6. In addition to and not in lieu of any other appropri-
5 ation, there is appropriated to the Oregon Health Authority, for the
6 biennium beginning July 1, 2015, out of the General Fund, the amount
7 of \$106,320, which may be expended for carrying out the provisions of
8 this 2015 Act.**

9 **“SECTION 7. Section 6 of this 2015 Act becomes operative on July
10 1, 2015.”.**

11 In line 22, delete “6” and insert “8”.

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