

# D R A F T

## SUMMARY

Digest: The Act tells OHA to create a work group related to CCO members who need residential mental health services. (Flesch Readability Score: 62.8).

Requires the Oregon Health Authority to convene a work group to study the feasibility of and develop a plan for transferring responsibility from the authority to coordinated care organizations to administer adult residential mental health service benefits and assume the financial risk of administering those benefits. Specifies the duties and membership of the work group. Requires the authority to report final recommendations of the work group to the Legislative Assembly no later than December 15, 2028.

Sunset January 2, 2029.

Declares an emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to adult residential mental health services; and declaring an emer-  
3 gency.

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

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

6 (a) **“Coordinated care organization” and “medical assistance” have**  
7 **the meanings given those terms in ORS 414.025.**

8 (b) **“Residential treatment facility” and “residential treatment**  
9 **home” have the meanings given those terms in ORS 443.400.**

10 (c) **“Secure residential treatment facility” means a facility described**  
11 **in ORS 443.465.**

12 (2) **The Oregon Health Authority shall convene, or contract with a**  
13 **third party to convene, a work group to study the feasibility of and**  
14 **develop a plan for transferring responsibility from the authority to**

1 **coordinated care organizations to administer adult residential health**  
2 **service benefits in the medical assistance program and assume the fi-**  
3 **nancial risk of administering the benefits. In conducting the study, the**  
4 **work group shall:**

5 **(a) Develop objectives for the transfer of responsibility described in**  
6 **this section;**

7 **(b) Assess the viability of including long term care services and**  
8 **supports in the transfer of responsibility described in this section;**

9 **(c) Develop phased implementation timelines for each facility type,**  
10 **including secure residential treatment facilities, residential treatment**  
11 **facilities and residential treatment homes;**

12 **(d) Develop recommendations about capacity building, funding and**  
13 **other resources needed for the implementation and sustainability of**  
14 **the transfer of responsibility described in this section; and**

15 **(e) Develop recommendations about statutory, regulatory and con-**  
16 **tractual changes needed for the implementation and sustainability of**  
17 **the transfer of responsibility described in this section.**

18 **(3) The work group must include:**

19 **(a) Representatives of:**

20 **(A) Coordinated care organizations who have expertise in behavioral**  
21 **health;**

22 **(B) Coordinated care organizations who have expertise in care co-**  
23 **ordination;**

24 **(C) Community mental health programs;**

25 **(D) Entities that provide coordination of care services to individuals**  
26 **with serious and persistent mental illness;**

27 **(E) Secure residential treatment facilities;**

28 **(F) Residential treatment facilities;**

29 **(G) Residential treatment homes;**

30 **(H) Adult foster homes as defined in ORS 443.705;**

31 **(I) Long term care facilities as defined in ORS 442.015;**

1 (J) Labor organizations that represent the behavioral health  
2 workforce;

3 (K) Behavioral health advocacy organizations;

4 (L) The nine federally recognized Indian tribes in Oregon;

5 (M) The Medicaid, Behavioral Health and Quality and Compliance  
6 units of the Health Systems Division of the authority; and

7 (N) The Program Integrity Audit Unit of the authority; and

8 (b) Medical assistance recipients with lived experience.

9 (4) No later than August 15, 2025, the authority, in partnership with  
10 two to four members of the work group required under this section,  
11 shall hire a consultant to assist the work group in conducting the  
12 study and developing the recommendations described in this section.

13 (5) The work group shall first meet no later than October 1, 2025.

14 (6) No later than December 15, 2027, the authority shall report to  
15 the Legislative Assembly, in the manner provided in ORS 192.245, the  
16 preliminary findings and recommendations of the work group, includ-  
17 ing recommendations about needed statutory changes and funding.

18 (7) No later than December 15, 2028, the authority shall report to  
19 the Legislative Assembly, in the manner provided in ORS 192.245, the  
20 final recommendations of the work group, including recommendations  
21 for proposed legislative changes.

22 SECTION 2. Section 1 of this 2025 Act is repealed on January 2, 2029.

23 SECTION 3. This 2025 Act being necessary for the immediate pres-  
24 ervation of the public peace, health and safety, an emergency is de-  
25 clared to exist, and this 2025 Act takes effect on its passage.

26