

# SB 296 Implementation Update: Post-Acute Care Perspective & Impact

Senate Health Care Committee

January 13, 2026

# Joint Task Force on Hospital Discharge Challenges



## **Collaboration and Consensus**

Reflects a collaborative, consensus-driven approach developed by the Task Force and supported by stakeholders.



## **Targeted Reforms in SB 296**

Addresses root causes of hospital discharge delays and proposes streamlined Medicaid eligibility processes, improved oversight, and expanded post-acute care coverage.

# Oregon's Post-Acute Care Options



RESIDENTIAL  
CARE FACILITIES



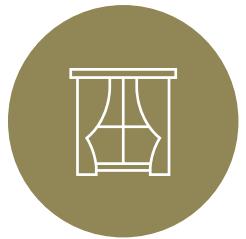
NURSING  
FACILITIES



ASSISTED LIVING  
FACILITIES



ADULT FOSTER  
HOMES



HOME WITH  
SUPPORTS

# Demographic & System Pressures

## What drives capacity constraints in post-acute care?

### Growing Demand for Long Term Care

Oregon's aging Baby Boomer population is driving unprecedented demand for long term care services across the state that will create generational demand for enhanced access to affordable care in a variety of settings.

### Increasing Care Complexity

Care needs are becoming more complex with higher rates of behavioral health issues and multiple chronic conditions.

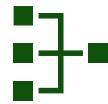
### Strain on Healthcare Infrastructure

Facility closures and rising caseloads increase pressure on nursing homes, often lacking resources and adequate Medicaid reimbursement from the State.

# SB 296 Implementation Priority #1: Improving Medicaid Eligibility Determiniations for LTSS (Sections 1 & 2)

# Medicaid Eligibility & Payment Challenges Persist

## Issues



Disconnects/silos between the different systems within Medicaid



Delays for eligibility recertification and for new applicants



Challenges with local offices, Medicaid caseworker turnover, issues with plans of care, authorizations, and lack of consistent communication



Challenges with application process

## Impacts



Delays hospital discharges while waiting for determination and payor source



Residents do not always receive notices or clarity in eligibility or reauthorization process



Rising unpaid Medicaid balances for providers



Lack of transparency in billing; making it hard for providers to help patients

# SB 296: Pathway to Improvement

SB 296 REQUIREMENT	RESPONSIBLE AGENCY	DEADLINE
Create Medicaid eligibility dashboard	ODHS & OHA	2026
<b>Conduct operational review to streamline LTSS determinations:</b> <ul style="list-style-type: none"><li>Conduct baseline analysis of average eligibility processing times</li><li>Develop benchmarks for improvement</li><li>Explore technologies to improve workflow</li><li>Explore changes to staffing, especially for complex cases</li><li>Develop communication and case management protocols when delays occur</li></ul>	ODHS & OHA	Aug 15, 2026
Explore temporary coverage and payment models	ODHS & OHA	Aug 15, 2026

# SB 296 Implementation Priority #2: Expanding Skilled Nursing Care Coverage (Sections 6)

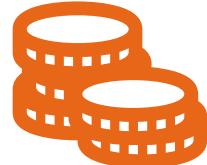
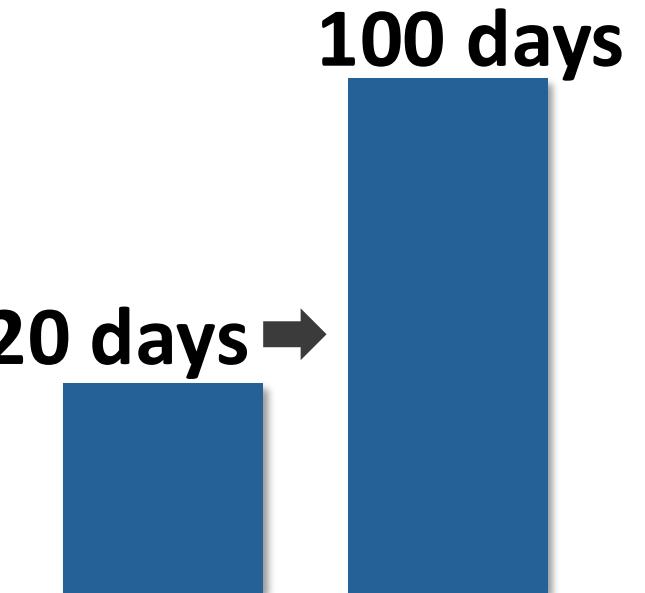
# Skilled Nursing Coverage Expansion

Effective January 1, 2026



## SB 296 Benefit Expansion

- Coverage: 100 days (up from 20)
- Aligns with Medicare skilled care coverage



## Cost Impact

- \$1.87M General Fund
- \$2.47M Federal Funds



## Budget Risk

OHA proposed postponing PHEC expansion in 5% reduction exercise.

# SB 296 Implementation Priority #3: Exploring Innovative Care Models and Regulatory Frameworks (Sections 3)

# Regulatory Improvements & Expanding Innovative Service Models

**Improving post-acute care options for medically or behaviorally complex patients**

## SB 296 REQUIREMENT

## RESPONSIBLE AGENCY

## DEADLINE

Study regulatory framework for facilities that service complex patients

ODHS & OHA

Aug 15, 2026

### Study regulatory framework for facilities that service complex patients:

- Assess resources needed to expand specific needs contracts and enhanced care services
- Evaluate impact on patients
- Review use of civil penalties

ODHS & OHA

Aug 15, 2026

# Specific Needs & Enhanced Care Contracts

**Approx. less than 10% of assisted living and residential care facilities hold SNCs.**

- ✓ Prevents unnecessary hospitalization or institutionalization in higher-cost settings.
- ✓ Supports community integration for individuals with high needs, including individuals with IDD, SUD, and behavioral health.
- ✓ Enhances safety and quality of care for residents and staff.
- ✓ Risks to expanding this model: State budget limitations and regulatory complexity.



Serves individuals whose needs exceed standard services



Requires higher staffing levels



Intensive and specialized support in residential settings



Individualized funding agreements with the State



## Budget Risk

ODHS proposed reducing these services in 5% reduction exercise.