

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 Determinations for LTSS (Sections 1 & 2)

Medicaid Eligibility & Payment Challenges Persist

Issues



Disconnects/siloes 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
Conduct operational review to streamline LTSS determinations: <ul style="list-style-type: none">• Conduct baseline analysis of average eligibility processing times• Develop benchmarks for improvement• Explore technologies to improve workflow• Explore changes to staffing, especially for complex cases• Develop communication and case management protocols when delays occur	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)

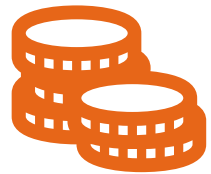
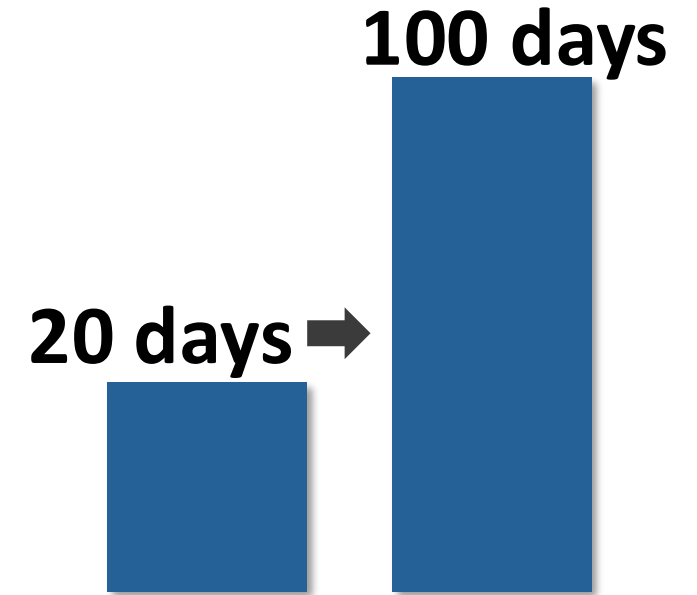
Skilled Nursing Coverage Expansion

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: <ul style="list-style-type: none">Assess resources needed to expand specific needs contracts and enhanced care servicesEvaluate impact on patientsReview 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.