Senate Bill 296

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with presession 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 **as introduced.** 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 adult foster homes and residential care 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

Relating to hospital discharge challenges; and declaring an emergency.

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

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

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

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

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

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

(d) Explore technologies, including the automation of agency and provider workflows, to meet the benchmarks developed under this subsection;

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

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.

section;

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

(g) Develop a decision tree to help hospital staff navigate the processes used by the department and the authority in conducting eligibility determinations; and

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

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

SECTION 3. (1) The Department of Human Services and the Oregon Health Authority shall study options to waive or streamline asset testing for eligibility determinations for long term care services and supports provided through the medical assistance program. In conducting the study, the department and the authority shall:

(a) Develop asset testing policies to allow, to the extent possible, self-attestation of financial eligibility for individuals who are experiencing homelessness or who receive subsidized housing, supplemental nutrition assistance or other qualifying asset-tested benefits; and

(b) Consider financial and equity impacts.

(2) The department and the authority shall submit a report in the manner provided by ORS 192.245, and may include recommendations for legislation, to the interim committees of the Legislative Assembly related to health no later than December 31, 2025.

SECTION 4. (1) As used in this section:

(a) "Adult foster home" has the meaning given that term in ORS 443.705.

(b) "Enhanced care services" means intensive behavioral and rehabilitative mental health services provided to eligible seniors or persons with physical disabilities who reside in adult foster homes or residential care facilities licensed by the Department of Human Services.

(c) "Residential care facility" has the meaning given that term in ORS 443.400.

(d) "Specific needs contract" means a contract between the Department of Human Services and an adult foster home or residential care facility to reimburse the adult foster home or residential care facility at a higher rate for a resident whose care needs exceed the level of services that the adult foster home or residential care facility would typically provide.

(2) The Department of Human Services and the Oregon Health Authority shall study the regulatory framework for adult foster homes and residential care facilities that serve residents with complex medical or behavioral health conditions. In conducting the study, the department and the authority shall:

(a) Identify any needed changes to the licensing requirements for adult foster homes or residential care facilities that serve residents who have complex medical or behavioral health conditions but who do not require hospitalization or skilled nursing care;

(b) Assess the resources needed to expand existing enhanced care services and specific needs contracts statewide, including the public and private sector workforce needed to implement:

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

(B) Other models for supporting adult foster homes and residential care facilities who serve residents with complex medical or behavioral health conditions;

(c) Evaluate the impact on individuals with complex medical or behavioral health conditions of having separate licensing requirements for adult foster homes and residential care facilities licensed by:

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

(B) The division of the department that provides services for persons with intellectual or developmental disabilities; and

(C) The authority; and

(d) Review the use and impact of civil penalties assessed against residential care facilities and adult foster homes and develop recommendations for pursuing collaborative approaches, including technical assistance or agency guidance, before assessing civil penalties.

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

(4)(a) The department and the Housing and Community Services Department shall study opportunities to offset the cost of creating new adult foster homes and other community-based care settings.

(b) The Department of Human Services and the Housing and Community Services Department shall submit a report in the manner provided by ORS 192.245, and may include recommendations for legislation, to the interim committees of the Legislative Assembly related to health no later than August 15, 2026.

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

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

(b) "Home health services" has the meaning given that term in ORS 443.014.

(c) "In-home care services" has the meaning given that term in ORS 443.305.

(d) "Medical respite" means acute and post-acute medical care for individuals experiencing homelessness who are too ill or frail to recover from a physical illness or injury but who do not require hospitalization.

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

(f) "Traditional health worker" has the meaning given that term in ORS 414.665.

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

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

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

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

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

(D) Expanding medical assistance to include medical respite and seeking any necessary federal approvals, including approval to allow the state to receive federal financial participation in the costs of providing medical respite.

(b) 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, including by:

(A) Requiring coordinated care organizations and insurers that offer Medicare Advantage Plans for individuals who are dually eligible for Medicare and Medicaid to provide more targeted care coordination and case management for individuals who are being discharged from a hospital;

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

(C) Strengthening coordinated care organization use of traditional health worker networks for care transition support; and

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

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

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

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

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

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

(2) The Oregon Health Authority shall 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.

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

SECTION 7. Section 3 of this 2025 Act is repealed on January 2, 2026.

SECTION 8. Sections 2, 4 and 5 of this 2025 Act are repealed on January 2, 2027.

SECTION 9. Section 6 of this 2025 Act applies to contracts between a coordinated care organization and the Oregon Health Authority entered into, amended or renewed on or after the operative date specified in section 11 of this 2025 Act.

SECTION 10. No later than September 1, 2025, the Oregon Health Authority shall request federal approval as necessary to carry out the provisions of section 6 of this 2025 Act.

SECTION 11. (1) Section 6 of this 2025 Act becomes operative on the date that the Centers for Medicare and Medicaid Services approves the request made pursuant to section 10 of this 2025 Act to carry out the provisions of section 6 of this 2025 Act.

(2) The Oregon Health Authority shall immediately notify the Legislative Counsel if the Centers for Medicare and Medicaid Services approves or disapproves, in whole or in part, the request made pursuant to section 10 of this 2025 Act.

SECTION 12. This 2025 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect on its passage.