

Chair Hartman, Vice-Chairs Scharf and Walters, and members of the House committee on Early Childhood and Human Services,

I am submitting this email to provide clarity and additional information on some concerns and points raised in yesterday's public hearings on SB 1532 related to Child Welfare, and SB 1533.

SB 1532

Out-of-State Relative and Pre-Adoptive Placement

There were questions posed about why ODHS was not able to ensure placement of the 9-year-old child from North Carolina in an ICPC placement setting. ODHS agrees that SB 1532-A provides the needed statutory solution to address the current legal barrier for ODHS to authorize these placements.

Oregon law (ORS 418) requires any foster care agency operating in Oregon to be licensed as a Child-Caring Agency (CCA). Under ORS 418.321, ODHS may place a child in an out-of-state CCA only if the agency meets Oregon's CCA licensing requirements under ORS 418.215 and has a contract with the State of Oregon.

Until the fall of 2024, ODHS believed ORS 418.215 to apply only to out-of-state congregate care settings, not to foster homes in other states. After receiving an inquiry from a legislator on why a foster care agency out of state was being contracted with and if it was licensed under ORS 418.215 ODHS consulted with DOJ on that statute's applicability to foster care settings. It was confirmed that ORS 418.215 applies to out-of-state foster homes licensed by private CCAs. Since then, ODHS has not placed children in CCA licensed foster homes outside the state of Oregon as those homes have declined to be licensed under Oregon's CCA laws. Multiple attempts have been made to encourage these out-of-state providers to become licensed with the State of Oregon so that placement could be made with their relatives. In all cases, the CCAs either declined to license with the State of Oregon or started the process and withdrew due to the extent of the licensing requirements for CCA's in Oregon.

ODHS shared this barrier with the System of Care Advisory Council (SOCAC) in 2024 as their legislative concept was being developed. A solution for making an exception to allow for these placements outside the state were included in HB 3835 in 2025.

Out-of-State Treatment

Committee members asked questions about exceptions included in SB 1532-A that involved access to medical treatment for child welfare children out of state.

The executive branch has raised concerns to the legislature that children in foster care face more barriers to medically necessary treatment compared to peers enrolled in the Oregon Health Plan, involved in the juvenile justice system, or covered by private insurance. This disparity creates avoidable barriers to medically necessary care for some of Oregon's most vulnerable children.

Current law prohibits children in foster care from receiving inpatient treatment at facilities that are not licensed as an Oregon Child Caring Agency (CCA). As a result, they are effectively barred from accessing medically necessary treatment from providers outside Oregon, even when no comparable in-state option exists because out-state-providers are not willing to become licensed as an Oregon CCA.

SB 1532-A provides exceptions in three areas:

1. ICWA/ORICWA placement preference compliance
2. Relative and pre-adoptive foster care placements
3. Eating Disorder Treatment

During the public hearing on SB 1532, it was stated that ODHS should not return to the Legislature in the future to report that it had to violate the law to meet a child's specific medical treatment needs. We commend the legislature for bringing solutions and defining options for treatment access, and want to be clear that the exceptions included in SB 1532 are necessary but are narrow and do not fully resolve the statutory barriers that prevent children in ODHS custody from accessing the same medical treatment options available to other children in Oregon.

Qualified Residential Treatment Programs (QRTP) and Title IV-E federal reimbursement

During the public hearing, concerns were raised that background checks are not being done on specific providers. We want to provide clarification that background checks continue to be required and conducted by the ODHS Background Check Unit for all levels of care provided by CCAs, including all Qualified Residential Treatment Programs (QRTPs).

Oregon is not claiming Title IV-E reimbursement for children placed in QRTPs. Oregon reimburses QRTP providers with federal Medicaid matching funds through the provision of Behavioral Rehabilitation Services (BRS), which provides a significant federal financial offset for these programs. Oregon previously attempted to claim IV-E funds for these placements and dedicated a full-time staff member solely to verifying compliance with federal background check standards. Despite that dedicated capacity, demonstrating compliance to the federal standard remained challenging.

While some youth in these settings are IV-E eligible, Oregon's use of congregate care is among the lowest in the nation. On an average day, approximately 30 children statewide are placed in a QRTP, and of those, only around 30%, about 9 youth, meet IV-E eligibility criteria.

The federal background check compliance requirements associated with IV-E claiming for QRTP placements are highly prescriptive and administratively burdensome. Given the small number of eligible youth and the infrastructure required to maintain documentation and compliance, the administrative costs to complete the federal background checks exceeded the anticipated federal reimbursement. As a result, ODHS discontinued claiming IV-E funds for QRTP placements.

SB 1533

Current Attorney and CASA access

ODHS wants to assure all members of the committee that children in foster care, including those in temporary lodging or residing out of state, are currently able to access their

attorney and CASAs. Statutory language in the child abuse investigation statutes is not needed to ensure children have this right. These rights are clearly established in Oregon Administrative Rules 413-010-0180, which outline the rights of children and young adults in the legal custody of the Department.

Changing the definition of “child in care” is not necessary in order to afford these already established rights to children in foster care as the foster care bill of rights apply to children in our legal and physical custody under ORS418.200.

Please reach out with any additional questions or need for clarification.

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