

**HB 4042 A -A7, -A8, -A9, -A10, -A12 STAFF MEASURE
SUMMARY**

Senate Committee On Human Services

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Meeting Dates: 2/24, 2/26

WHAT THE MEASURE DOES:

The measure modifies the regulatory authority of the Oregon Department of Human Services (ODHS) with regard to child-caring agencies (CCAs). The measure also expands the department's authority to place a child or ward in a CCA or congregate care setting that is not a qualified residential treatment program (QRTP) and to extend placements under certain circumstances.

Detailed Summary:

Child-Caring Agencies

- Permits ODHS to impose a condition on a CCA's license, certificate, or authorization in lieu of mandatory suspension or revocation in response to certain findings.
- Specifies that a vehicle safety restraint is not considered a "mechanical restraint" for purposes of laws governing the use of restraint and seclusion of children in care.
- Removes the limit on the number of crisis intervention training programs that ODHS may designate.
- Modifies requirements for CCA staff to be trained in the use of de-escalation and nonviolent intervention.

Placement Decisions

- Permits ODHS to place a child or ward in a CCA that is not a QRTP if the entity that pays for the child or ward's treatment has determined that the services provided are medically necessary, medically appropriate, and has approved payment.
- Permits ODHS to place a child or ward in a congregate care residential setting that is not a QRTP or a CCA if the setting is otherwise licensed by ODHS or the Oregon Health Authority (OHA) and provides medically necessary and medically appropriate services or treatment.
- Allows ODHS to extend a placement in a residential care facility or shelter-care home by 30-day increments if it is in the best interest of the child or ward or requested by the child or ward.
- Requires the ODHS child welfare director to approve all exceptional placements under this section.

REVENUE: No revenue impact.

FISCAL: Has minimal fiscal impact.

HOUSE VOTE: Ayes, 39; Nays, 2; Excused, 19

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-A7 The amendment creates an exception from prohibitions on the use of restraint and seclusion for a mechanical restraint that is durable medical equipment, a prosthetic device, or an orthotic device if the restraint is medically necessary and medically appropriate. The amendment also allows ODHS to extend a child or ward's placement in a homeless, runaway, or transitional living shelter.

REVENUE: May have revenue impact, but not statement yet issued.

FISCAL: May have fiscal impact, but not statement yet issued.

-A8 The amendment replaces the measure. The amendment modifies requirements for ODHS to take regulatory enforcement action against a CCA under certain circumstances. The amendment also limits determinations and placements in congregate care settings and removes provisions relating to placement extensions.

Detailed Summary:

Child-Caring Agencies

- Requires ODHS to suspend or revoke a CCA's license if the agency fails to cooperate with a regulatory entity's investigation or is responsible for allowing a child in its care to be abused.
- Allows ODHS to impose conditions on a CCA's license in lieu of mandatory suspension or revocation if the agency fails to provide the department with financial statements or reasonable access to a child in care as required by law.
- Removes change to requirements for CCA staff training on de-escalation and nonviolent intervention.

Placement Decisions

- Requires OHA to determine that provision of services or treatment in a psychiatric residential treatment facility that is not a QRTP is medically necessary and medically appropriate.
- Removes provisions relating to paying entities to determine medical necessity and medical appropriateness.
- Removes provisions relating to placement extensions.

REVENUE: No revenue impact.

FISCAL: Has minimal fiscal impact.

-A9 The amendment limits the individuals who may be investigated by ODHS for suspected child abuse and specifies the possible outcomes of an investigation if an alleged perpetrator is under age 18.

Detailed Summary

Child Abuse Investigations

- Requires ODHS to investigate a report of child abuse only when the alleged perpetrator is one of the following:
 - The child's parent, legal guardian, legal custodian, or Indian custodian
 - A person over age 18 who meets specified criteria
 - A person under age 18 years who meets specified criteria
 - A child care facility
 - An education provider

Substantiation of Reports of Child Abuse

- Specifies conditions for a child abuse investigation to result in a dispositional determination when the alleged perpetrator is under age 18.

REVENUE: May have revenue impact, but not statement yet issued.

FISCAL: May have fiscal impact, but not statement yet issued.

-A10 The amendment replaces the measure. The amendment limits the individuals who may be investigated by ODHS for suspected child abuse and specifies the possible outcomes of an investigation if an alleged perpetrator is under age 18.

Detailed Summary

Child Abuse Investigations

- Requires ODHS to investigate a report of child abuse only when the alleged perpetrator is one of the following:
 - The child's parent, legal guardian, legal custodian, or Indian custodian
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Substantiation of Reports of Child Abuse

- Specifies conditions for a child abuse investigation to result in a dispositional determination when the alleged perpetrator is under age 18.

REVENUE: May have revenue impact, but not statement yet issued.

FISCAL: May have fiscal impact, but not statement yet issued.

-A12 The amendment replaces the measure. The amendment modifies requirements for ODHS to take regulatory enforcement action against a CCA under certain circumstances.

Detailed Summary

- Requires ODHS to immediately suspend, revoke, or place conditions on a CCA's license if:
 - The agency fails to cooperate with a regulatory entity's investigation
 - The agency is responsible for allowing a child in its care to be abused
 - A child dies as a result of abuse
- Allows ODHS to impose conditions on a CCA's license in lieu of mandatory suspension or revocation if the agency fails to provide the department with financial statements or reasonable access to a child in care as required by law.

REVENUE: No revenue impact.

FISCAL: Has minimal fiscal impact.

BACKGROUND:

Child-caring agencies (CCAs) include academic and therapeutic boarding schools, adoption and foster care agencies, day treatment and residential treatment agencies, youth shelters, outdoor programs, and secure transportation service providers. Oregon law requires CCAs to be licensed. The [Children's Care Licensing Program](#) at ODHS establishes and enforces CCA licensing requirements.

The [Family First Prevention Services Act of 2018](#) made significant changes to the federal government's framework for providing Title IV funds to state child welfare agencies. Family First expanded options for providing preventative mental health services to families and enacted time limits on placements of children in congregate care. The act also limited the use of federal funds for children's congregate care to institutions that meet the definition of a "qualified residential treatment program" (QRTP). Subsequently, the Legislative Assembly enacted [Senate Bill 1605](#) during the first special session in 2020, which codified many provisions of Family First into state law and curtailed the ability of ODHS to place children in out-of-state facilities. In 2025, the legislature considered, but did not enact, [House Bill 3835 B](#), which would have expanded those restrictions to allow services and treatment that are covered by Medicaid and to extend certain placement timelines, among other provisions.