

House Bill 2015 Interim Progress Report

Introduction

House Bill 2015 (2025) aims to reduce regulatory barriers to developing and operating residential treatment programs, with the goal of easing access, ensuring smooth transitions, improving care for different acuity levels, and supporting providers. Section 1 directs OHA to study solutions to workforce, reimbursement, and federal rule challenges. A report for Section 1 is due September 15, 2026. Section 2 focuses on young adults, creating rules and an updated licensing process for residential treatment homes for transition-aged youth aged 17 and a half to 25.

This report provides an update on the Oregon Health Authority's (OHA) progress in carrying out the requirements of Section 2. This interim update is intended to ensure transparency and lay the groundwork for the final report due September 15, 2026.

Background and Legislative Context

Section 2 of HB 2015 bill requires OHA to create an updated licensing process for transition-aged youth residential treatment homes, designed to serve young adults who experience complex behavioral health challenges. Currently, Young Adults in Transition (YAT) homes are required to be licensed through both the Oregon Department of Human Services (ODHS) and OHA, as residential treatment programs are in the youth-serving system; YAT homes serve youth under 18 and are therefore classified as "Child Caring Agencies" through ODHS statutes. However, on the OHA side, programs are licensed as adult residential homes. This clash of rules and statutes is emblematic of a system not designed to serve young adults and their developmental needs as neither children nor older adults. The new licensing process shall address provider concerns that the current process is burdensome and does not consider the unique nature of these programs and their role in the lives of young adults as they bridge into adulthood.

Together, these requirements reflect the Legislature's intent to improve continuity of care, expand residential capacity, and support better outcomes for Oregon's behavioral health system.

Implementation Progress to Date

- Position descriptions have been written for two positions on OHA's Child and Family Behavioral Health team as outlined in the Fiscal Impact Statement, which are integral to the implementation of this work. At this time, OHA does not have DAS authorization to begin hiring for these positions.
- The Child and Family Behavioral Health team has completed early community engagement for rule changes with residential treatment home providers for young adults in transition, who have advised on what is working within the current licensing structure and what would be useful in newly created rules (there are currently no Oregon Administrative Rules for this service). The team also has a report, completed in May 2025 by a Portland State University Center for Public Service Hatfield fellow working on this project, comparing Oregon's young adult programs to those in other states.
- The Child and Family Behavioral Health team has connected with ODHS partners to begin collaboration on rules and updates to current licensing processes that will meet both agency's needs.
- The Child and Family Behavioral Health team has a contract with REAP for youth and young adult community engagement, and a young adult group has been identified and formed. The group is made up of diverse, young people with varied experience of the behavioral health system, backgrounds, and representation across Oregon. The group had their first meeting August 18 and is working to develop group expectations, access technology to participate, and complete mandatory trainings.

Preliminary Recommendations for Legislative Action

- HB 2015 lists the YAT program age as 17 and a half. This is from outdated contractual language and needs to be updated to 17 to match current contracts. The Child and Family Behavioral Health team is working with our Government Relations team to determine if this can be addressed in the upcoming 2026 short session.

Next Steps Toward Final Report (Due September 15, 2026)

- When authorized, OHA will post and hire for staff to implement this work.
- Over the next year, OHA's Child and Family Behavioral Health team will address Section 2 through work with young adults, providers, ODHS, the Medicaid Division, and the Behavioral Health Licensing and Certification team to collaboratively formulate rules for the Young Adults in Transition residential homes, in conjunction with an updated licensing process which matches this new rule set and accounts for the unique developmental needs of this population.

Conclusion

Section 2 of HB 2015 (2025) provides an opportunity to create a new rule set and licensing process for the YAT residential level of care currently being provided within the behavioral health continuum of services, carving it out as a unique service for young adults. OHA's strategic plan names young adults as a prioritized population due to the developmental needs of this group as they bridge key milestones from adolescence into adulthood. For young adults with significant behavioral health challenges, the services provided in YAT residential treatment homes are critical. OHA's work to implement this bill over the next 18 months will focus on collaboration with providers and ODHS while centering young adult voice in the decision making and cocreation of the process.

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