Memorandum

To: Mental Health Residential Treatment Providers & Applicants
Community Mental Health Programs

From: Connie Rush, Mental Health Licensing & Certification Manager

Date: July 27, 2026

Subject: Treatment expectations in licensed mental health residential programs

---

Mental health residential programs including Residential Treatment Facilities, Residential Treatment Homes, Residential Treatment Homes for Young Adults in Transition and both Class 1 & Class 2 Secure Residential Treatment Facilities are required to provide habilitative services (commonly referred to as 'treatment') within their programs. These services are automatically reimbursed through the standardized daily rate paid by the Oregon Health Authority (OHA).

Programs are not expected to provide rehabilitative services directly. Instead, Providers must arrange rehabilitative services for residents who need them with qualified professionals as required under OAR 309-035-0215(1). If a provider chooses to deliver rehabilitative services within their program, they must be certified by BHD as an Outpatient Provider and the residential program must be listed as an approved Service Location for billing purposes.

Required for Licensure

Each resident's Residential Service Plan and person-centered service plan (developed by the IQA) identify the minimum care, services, supports, treatment, therapy, supervision and activities required, and the minimum frequency of delivery, to help the resident develop, improve or maintain skills and functions for daily living.

All mental health residential programs must deliver the habilitative services outlined in these plans including:

- Activities of Daily Living
- Behavioral Management Skills
- Communication Skills Training
- Community Integration & Inclusion
- Community Navigation
- Education and Employment Support
- Emotional Regulation Skills Training
- Financial Literacy
- Instrumental Activities of Daily Living
- Offsite Activities
- Positive Behavioral Support
- Social Engagement Skills Training
- Structured Routines
- Supervision
- Therapeutic Activities

The Behavioral Health Division (BHD) requires all mental health residential programs maintain a psychiatric treatment services provider (see OAR 309-035-0115(5)(c)) to provide the clinical services, skills training and psychiatric treatment, and a Licensed Medical Professional (LMP) to provide consultation and oversight of the services offered to the program residents (see OAR 309-035-0115(5)(k)) at all times. These professionals may be employees of the program or contracted through a CMHP or other qualified entity.

A **psychiatric treatment services provider** may be a licensed Physician (MD, DO), Physician Associate (PA), Advanced Practice Nurse (APN), Clinical Nurse Specialist (CNS), Certified Nurse Practitioner (CNP), Psychologist (LP), Professional Counselor or Marriage and Family Therapist (LMFT), Licensed Clinical Social Worker (LCSW), Licensed Master Social Worker (MSW), Licensed Psychologist Associate (LPA), Licensed Occupational Therapist (OT), or QMHP.

A **Licensed Medical Professional** may be a licensed Physician (MD, DO), Physician Associate (PA), Advanced Practice Nurse (APN), Clinical Nurse Specialist (CNS), or Certified Nurse Practitioner (CNP).

Options for Providing Mandatory Habilitative Treatment Services

1. The provider can hire a qualified psychiatric treatment services provider as an employee to provide habilitative treatment services in the facility/home;
2. The provider can contract with a qualified psychiatric treatment services provider to provide habilitative treatment services in the facility/home; or
3. The provider can contract with the local Community Mental Health Program to provide habilitative treatment services in the facility/home.

Regardless of the option, the provider is responsible for the expense incurred for the provision of habilitative treatment service.

Providing Rehabilitative Treatment Services (if necessary)

1. The provider can arrange rehabilitative services for residents who need them with qualified professionals; or
2. The provider can choose to deliver rehabilitative services within their program. To do so, they must be certified by BHD as an Outpatient Provider and the residential program must be listed as an approved Service Location for billing purposes.

If the provider chooses to deliver rehabilitative services within their program, they must:

1. Be certified by BHD as an Outpatient Provider.
2. Have the residential program approved as a Service Location.
3. Bill OHA directly for all rehabilitative services provided to each resident.

Conclusion

Providers and applicants who choose to hire a qualified psychiatric treatment services provider as an employee to provide habilitative treatment services in the facility/home will need to ensure the employee's job description clearly demonstrates they will be providing the habilitative services in accordance with each resident's person-centered service plan.

Providers and applicants who choose to contract with a qualified psychiatric treatment services provider or Community Mental Health Program to provide habilitative treatment services in the facility/home will need to demonstrate a written agreement that clearly

demonstrates the habilitative services they will be providing in accordance with each resident's person-centered service plan.

Documentation must be provided with the initial application and with each renewal application to demonstrate a current agreement is in place and that habilitative services continue to be provided.

Relevant Statute & Rules

Oregon Revised Statute (ORS) **443.400(14) "Treatment"** means a planned, individualized program of medical, psychological or rehabilitative procedures, experiences and activities designed to relieve or minimize mental, emotional, physical or other symptoms or social, educational of vocational disabilities resulting from or related to the mental or emotional disturbance, physical disability or alcohol or drug program.

Oregon Administrative Rule (OAR) **309-035-0105(88)** defines **"Services and Supports"** as those services defined as habilitation services and psychosocial rehabilitation services under OAR 410-172-0705(1)(j) and (v) and provided to residents as outlined in OAR 410-172-0710.

OAR 410-172-0705(1)(j) defines **"Habilitation" or "Habilitative Services"** as services designed to help an individual attain or maintain their maximal level of independence and includes, but is not limited to, services provided in order to help an individual acquire, retain, or improve skills in ADLs and IADLs, community survival skills, communication, self-help, socialization, and adaptive skills necessary to reside successfully in an individual's home or a community-based setting; Also known as personal care services

OAR 410-172-0705(1)(v) defines **"Psychosocial Rehabilitation Services (PSR)"** means medical or remedial services recommended by a licensed physician or other licensed practitioner to reduce impairment to an individual's functioning associated with the symptoms of a mental disorder or to restore functioning to the highest degree possible;

OAR 410-172-0705(1)(aa) defines **"Residential Services Costs"** as costs associated with the provision of mental health services to individuals in residential treatment programs. Costs include direct and indirect services required to meet an individual's assessed needs for personal care and other habilitative services. Residential services costs do not include costs related to providing psychosocial rehabilitation services (PSR);

OAR 410-172-0705(7)(a) Standardized rates for residential treatment programs are intended to pay for the following:

(a) Residential services costs for individual services and supports for residents of residential treatment programs including ADLs, IADLs, other habilitation services, and related indirect costs;