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CHAPTER 333
OREGON HEALTH AUTHORITY
PUBLIC HEALTH DIVISION

FILING CAPTION: Demonstration of Need for Acute Inpatient Beds and Psychiatric Hospitals (Certificate of Need)

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RULES:
333-590-0000, 333-615-0000, 333-615-0010, 333-615-0020, 333-615-0025, 333-615-0030, 333-615-0035, 333-615-0040, 333-615-0050, 333-615-0060, 333-615-0070

AMEND: 333-590-0000

REPEAL: Temporary 333-590-0000 from PH 20-2025

RULE TITLE: General

NOTICE FILED DATE: 02/26/2026

RULE SUMMARY: Amend OAR 333-590-0000: Updates terminology for clarity and clarifies rules applicable to Certificate of Need (CN) applications for psychiatric hospitals.

RULE TEXT:
(1) The applicant, in providing information to the Public Health Division to demonstrate need for a proposed new hospital, must satisfy the criteria specified in the Certificate of Need Application Instructions (OAR chapter 333, division 580). This response will include completing an analysis using the methodology of OAR chapter 333, division 590.
(2) Exclusion from OAR chapter 333, division 590. Evaluating need for a freestanding psychiatric hospital and psychiatric units that meet criteria as a “new hospital” as defined by ORS 442.015 shall be subject to the methodology described in OAR chapter 333, division 615 and division 580. No methodology from OAR chapter 333, division 590 shall apply to “new hospitals,” neither freestanding or psychiatric units within the license of a general acute hospital.

STATUTORY/OTHER AUTHORITY: ORS 431.120, ORS 442.315

STATUTES/OTHER IMPLEMENTED: ORS 431.120, ORS 442.315

AMEND: 333-615-0000

REPEAL: Temporary 333-615-0000 from PH 20-2025

RULE TITLE: General

NOTICE FILED DATE: 02/26/2026

RULE SUMMARY: Amend OAR 333-615-0000: Clarifies requirements for a Certificate of Need (CN) application for a psychiatric hospital to be considered complete.

RULE TEXT:

Complete application. To be ruled complete, an application for a psychiatric hospital must:

(1) Include a narrative organized in accordance with each major section of OAR 333-615-0000 through 333-615-0070;

(2) Satisfy the criteria specified in the Certificate of Need Application Instructions (OAR chapter 333, division 580); and

(3) Include the application fee as specified in OAR 333-565-0000, Table 4.

STATUTORY/OTHER AUTHORITY: ORS 431.120, ORS 442.310, ORS 442.315

STATUTES/OTHER IMPLEMENTED: ORS 431.120, ORS 442.315

AMEND: 333-615-0010

REPEAL: Temporary 333-615-0010 from PH 20-2025

RULE TITLE: Definitions

NOTICE FILED DATE: 02/26/2026

RULE SUMMARY: Amend OAR 333-615-0010: Modifies current definitions and adopts new definitions that incorporate use of trauma system areas in determining need.

RULE TEXT:

(1) "Alternate Health Service Area" means an approved deviation from the Trauma System Area as the Health Service Area meeting exception criteria.

(2) "Alternatives" means other settings within the behavioral health continuum that may reduce demand for inpatient psychiatric hospital beds by providing appropriate care at a lower level of intensity or cost. These settings are not clinically interchangeable with inpatient psychiatric hospitalization but must be considered in evaluating system capacity and flow. Alternatives include, but are not limited to:

(a) Residential Treatment Facility (RTF) as defined under ORS 443.400;

(b) Residential Treatment Home (RTH) as defined under ORS 443.400;

(c) Adult Foster Home (AFH) as defined under ORS 443.705; and

(d) Residential Substance Use Disorder Treatment Program means a publicly or privately operated program as defined in ORS 430.010 that provides assessment, treatment, rehabilitation, and twenty-four hour observation and monitoring for individuals with substance use dependence, consistent with Level 3 of The ASAM Criteria, Third Edition.

(3) "Dual diagnosis" means an inpatient episode where a psychiatric ICD–10 code (F01–F99) co-occurs with a substance use disorder code (F10–F19) or other relevant behavioral health condition.

(4) "Health Service Area for a psychiatric hospital" means the Trauma System Area in which the proposed hospital will be located. Trauma System Areas are defined by the Oregon Health Authority (OAR 333-200-0040). In the case of a proposal for a new psychiatric hospital, the Health Service Area is the Trauma System Area in which the general acute hospital is located.

(5) "Psychiatric admission" and "psychiatric discharge" mean an inpatient episode identified by a principal diagnosis code within ICD10 Chapter F (Mental and Behavioral Disorders, F01–F99) or by a psychiatric DRG (Diagnosis Related Group) as defined under CMS DRG classifications (e.g., DRGs 885–887, 894–896, and any codes for psychoses, neuroses, and other mental health conditions).

(6) "Subspecialty beds" means an inpatient setting designed specifically for:

(a) Individuals under the age of 18; or

(b) Individuals 65 and older.

STATUTORY/OTHER AUTHORITY: ORS 431.120, ORS 442.315

STATUTES/OTHER IMPLEMENTED: ORS 431.120, ORS 442.315

REPEAL: 333-615-0020

REPEAL: Temporary 333-615-0020 from PH 20-2025

RULE TITLE: Principles

NOTICE FILED DATE: 02/26/2026

RULE SUMMARY: Repeal OAR 333-615-0020: Repeals policy language that is outdated.

RULE TEXT:
Under ORS 442.025(1), state policy gives priority to the achievement of reasonable access to quality health care at a reasonable cost. It is legislative policy under ORS 430.610(3) that to the greatest extent possible, mental health services be delivered in the community where the person lives in order to achieve maximum coordination of services and minimum disruption in the life of the person. Under ORS 430.021(3), it is state policy to encourage and assist community general hospitals to establish psychiatric services. Consistent with legislative policy, priority is given in this division to establishment of access to local hospitalization in geographically distributed, quality psychiatric units, within community hospitals; and hospitalization is to be utilized only when an individual's needs cannot be safely and effectively met by less costly alternatives. The following principles, therefore, are applicable to this division:
(1) Service areas for general psychiatric beds other than those directly operated by the state Addictions and Mental Health Division or the federal Veterans' Administration, shall be delineated so as to encourage the greatest feasible utilization of community hospitals, and of alternatives to hospitalization, by both private and public patients. The division will use as a basis for general psychiatric inpatient service areas the state administrative districts. The districts are based on natural market areas defined by geographical barriers, transportation networks and historical patterns of general trade. In addition, community mental health services in Oregon are organized on a county or multicounty basis, compatible with these districts, thus facilitating planning and coordination with, and access to, local inpatient services in such districts.
(2) Service areas for psychiatric specialty beds, other than those directly operated by the state Addictions and Mental Health Division or the federal Veterans' Administration, as defined in OAR 333-615-0010(2), other than holding rooms, shall be delineated so as to assure availability of quality service at reasonable cost in economically viable subspecialty units:
(a) Factors to be considered in delineating such service areas shall include the sizes of the respective populations at risk in Oregon; the current rates of inpatient hospitalization in Oregon for those groups; and the availability, accessibility, quality and levels of utilization of existing inpatient services addressing the needs of those groups in Oregon. These factors will generally lead to delineation of subspecialty service areas according to health service area, multiple health service area or statewide boundaries;
(b) In order to assure viable, quality subspecialty units, economies of scale shall be given greater weight than geographical distribution;
(c) In estimating subspecialty need, the state will consider the population ratios proposed in "total system" models such as Nebraska (1981) and California (1981);
(d) For each subspecialty service, an applicant will be expected to indicate the anticipated percentage and origins of utilization from outside the general psychiatric service area, based on section (1) of this rule, in which the facility is, or will be located, and to provide the evidence and assumptions related to the analysis.
(3) Service areas for holding rooms shall be based on local considerations of access, demand and feasibility.
(4) The development of a number of psychiatric units, of economically and programmatically viable size, in general hospitals, rather than the development of a few large, multispecialty, freestanding facilities, shall be emphasized. The division recognizes that equivalent programs, in terms of quality, can be developed in either setting, to meet the needs of particular populations; that, in order to attract and retain staff, as well as for quality program design and economic efficiency, consideration must be given to minimum feasible unit size; but that, nonetheless, programs located within acute general hospitals have the advantage of close administrative relationships and proximity to acute medical and surgical consultation, diagnosis and treatment. Among the considerations leading to an emphasis on geographically

decentralized psychiatric units in general hospitals, are the following:
(a) Improved geographic access in the various regions of the state, and therefore;
(b) Greater likelihood of reduced utilization of state and federal hospitals for short-stay intensive inpatient care;
(c) Reduced separation of psychiatric patients and staffs from specialty medical care for psychiatric patients at a reasonable cost, substantial numbers of whom have that need;
(d) Improved access to quality psychiatric staff for general medical patients;
(e) Greater access to diversity in medical and support staff, and extent of ancillary services available;
(f) Possibility of reduced construction and operating costs, through development of economically and programmatically viable sized units by conversion of small amounts of existing licensed capacity, where available, rather than new, large scale freestanding construction;
(g) Relative ease of reconversion of the unit at minimal cost, to other hospital associated use if psychiatric utilization is so low as to necessitate closing the unit;
(h) Smaller size of unit necessary to maintain quality at reasonable cost per treatment, because indirect costs are spread over a larger base; and reduced impact of smaller unit on ability of other, existing units, serving the same population, to maintain quality at reasonable cost per treatment.
(5) Demonstration of need for general psychiatric beds will be population based, rather than facility based. According to Office for Oregon Health Policy and Research studies of actual utilization in Oregon, taken together with legislative reduction of the number of inpatient days mandated for coverage under group health insurance policies in Oregon, the "range of need" criteria based on the then available literature and consultant advice, together with existing provisions in this chapter, provide adequate safeguards against overbedding, but the legislative policy requires more stringent standards for demonstration that any proposed beds are the appropriate response to need for psychiatric care. Therefore, there shall be a moderate standard of evidence of need if a project would result in up to .40 beds per 1,000 population in a service area in the third year after the date of the letter of intent; and a high standard, if the result would exceed .40. The bed-to-population ratio shall not be taken, by itself, as evidence justifying a certain number of beds in a service area. In determining need, the division shall take into account and the applicant shall supply, for each factor in subsections (a) to (f) of this section, a numerical, descriptive and analytic response sufficient for the division to take each factor into account:
(a) The historical utilization of psychiatric inpatient beds by persons in the service area involved;
(b) The historical utilization in other Oregon service areas of comparable size, population and characteristics; and
(c) Based on the level of placement criteria developed by the Office for Oregon Health Policy and Research or developed by insurers under ORS 743.556(16)(b), findings that, with limited exceptions based on clinical judgment in individual cases, inpatient beds are needed for immediate, short-range control of symptoms and protection of the patient when less intensive or supportive placement will not suffice; or for immediate, short-range protection of the community;
(d) The major portion of nonstate, nonfederal inpatient stays are expected to be 12 to 15 days. Approximately 10 percent of stays, at most, are expected to be longer term: Seriously disturbed, usually younger, patients for whom the benefits of 30 to 40 days of hospitalization exceed those of brief hospitalization followed by systematic, long-term residential or outpatient care; and a limited number of chronically mentally ill persons who cannot be maintained safely in the community;
(e) Inpatient beds are not considered the major resource for continued treatment of the typical schizophrenic patient, which, according to the literature, is usually most effective and economical when provided in other ways;
(f) Alternatives, as defined in OAR 333-615-0010(1), do not replace necessary inpatient utilization as described in subsections (c), (d) and (e) of this section, but are usually more effective and economical for meeting other needs for mental health treatment and care.

STATUTORY/OTHER AUTHORITY: ORS 430.021(3), 430.610(3), 431.120(6), 442.025, 442.315, 743.556(16)

STATUTES/OTHER IMPLEMENTED: ORS 431.120(6), 442.315

ADOPT: 333-615-0025

REPEAL: Temporary 333-615-0025 from PH 20-2025

RULE TITLE: Criteria for Approval for a New Psychiatric Hospital (both freestanding and those meeting criteria under ORS 442.015 as a new hospital)

NOTICE FILED DATE: 02/26/2026

RULE SUMMARY: Adopt OAR 333-615-0025: Establishes new criteria that the Oregon Health Authority shall consider when reviewing and approving a Certificate of Need (CN) application for a new psychiatric hospital.

RULE TEXT:
A Certificate of Need for a psychiatric hospital may be granted if the Oregon Health Authority determines that an applicant has shown by a preponderance of the evidence that each of the below criteria are met:
(1) Within the proposal's Health Service Area, access to care is tailored to the specific demographic needs, including appropriate:
(a) Access to public transportation;
(b) Access for individuals with disabilities;
(c) Availability of adequate staffing; and
(d) Accessibility to other care providers.
(2) Applicants must describe how the proposed project will improve access to care for all individuals in the Health Service Area, with particular attention to vulnerable populations, including those who are uninsured, underinsured, high-deductible plans, or enrolled in Medicaid.
(3) All other criteria in OAR chapter 333, division 615 are met, including analyses of:
(a) Need;
(b) Quality;
(c) Cost; and
(d) Availability of alternatives in the Health Service Area.

STATUTORY/OTHER AUTHORITY: ORS 430.021, ORS 430.610, ORS 431.120, ORS 442.310, ORS 442.315, ORS 743A.168

STATUTES/OTHER IMPLEMENTED: ORS 431.120, ORS 442.315

AMEND: 333-615-0030

REPEAL: Temporary 333-615-0030 from PH 20-2025

RULE TITLE: Estimate of Need

NOTICE FILED DATE: 02/26/2026

RULE SUMMARY: Amend OAR 333-615-0030: Updates the standards, methodology, and principles for forecasting bed need that must be included in a Certificate of Need (CN) application for a psychiatric hospital.

RULE TEXT:

Bed need shall be evaluated consistent with the below standards, methodology, and principles:

(1)(a) Determine the estimated population for the Health Service Area identified in OAR 333-615-0010(4) for the prior 10 years in five-year increments, and five- and 10-year forecasts as a basis for estimating the population for previous years and forecasting future years. Applicants may use Portland State University's (PSU) Population Research Center (PRC) Intercensal Estimate reports, and when available, United States Census Data. When an Area Trauma Advisory Board (ATAB) includes ZIP code inclusions or exclusions, applicants shall apportion estimates to ATAB ZIP codes. The apportionment method shall be provided and shall include reproducible tabulations. If the applicant uses an alternate data source for population estimates, the applicant must provide justification for the alternate data source and evidence demonstrating it is consistent with generally accepted demographic estimation standards and has comparable reliability to official sources.

(b) Age and sex specific forecasts and changes over time in the age and sex composition of the Health Service Area population shall be examined, and the implications for use-rates taken into consideration.

(c) For purposes of calculating use rates and projecting bed need, applicants shall include all inpatient episodes meeting the definitions of psychiatric admission or psychiatric discharge, using discharge data grouped by psychiatric DRGs and ICD–10 codes. Episodes with dual diagnosis shall be reported separately and incorporated into utilization projections. Acceptable data sources shall include All Payer All Claims (APAC), Medicare Cost Reports, and data sets consistent with this rule.

(d) If an applicant relies on proprietary hospital data sources not contained within APAC or Medicare Cost Reports, then the applicant must also provide:

(A) A detailed methodology explaining data collection, case definitions, exclusions, and any adjustments made.

(B) A third-party certification, stating that:

(i) The proprietary data are complete, accurate, and unbiased.

(ii) The methodology aligns with statutory definitions of psychiatric inpatient care and is consistent with APAC standards.

(iii) Evidence that the certification was conducted by an independent auditor with relevant expertise in discharge data or health care utilization statistics.

(iv) Applicants must provide the proprietary dataset in a de-identified format sufficient to replicate utilization rate calculations.

(2) Determine current year proposed Health Service Area and historical Health Service Area population-based discharge and patient day use-rates utilizing relevant and recent data. Future use-rate deviations must be explained.

(3) Determine current year and historical utilization by Health Service Area population of existing facilities. For the current year, and each of the prior 10 years, the applicant shall explain factors which may have affected identified trends. Factors to be addressed include, but are not limited to, changes in: population, public health needs (including any public health emergency), hospital location, service mix, age mix, reimbursement mix, transportation patterns, locations of physicians, specialists, unmet need, availability of alternatives, and the intensity or types of services delivered;

(4) Estimate future utilization rates by the Health Service Area population, based on population forecasts for age and sex breakdowns, including consideration of an explained range of age and sex adjusted use-rates specific to:

(a) The Health Service Area;

(b) The nearest facilities with service mixes most comparable to the proposed facility; and

(c) The nearest facilities with comprehensive service mixes.
(5) Evaluate the age range and payer implications tied to Medicaid eligibility, including analysis of the federal Institution for Mental Diseases (IMD) exclusion for individuals ages 21 through 64 as applicable. The applicant shall document how the proposed capacity will serve Medicaid-eligible individuals, identify alternative funding strategies for non-covered stays, and explain the impact on projected utilization and financial feasibility on the applicant and alternatives.
(6) Evaluate a patient migration adjustment factor that quantifies in-migration and out-migration for the Health Service Area. The factor shall include the in-migration rate, out-migration rate, and a net migration index. Applicants shall present reproducible tabulations based on patient origin and site of service.
(7) Develop a consistent and reasonable set of well-documented assumptions regarding the appropriate use-rates reviewed in this rule, including the extent to which utilization at the proposed psychiatric hospital will be new and the extent to which it will replace existing utilization at hospitals.
(8) Analyze the advantages and disadvantages of both new and replacement components of utilization, with respect to both the population to be served and to existing facilities and alternatives. Address the legislative findings cited in ORS 442.310.
(9) Given all information from the preceding steps, and five and 10-year population forecasts, compute the range of possible future patient days in five- years and in 10- years at the new psychiatric hospital, allowing appropriate adjustments for out-of-area utilization and other identified and justified special factors or considerations relevant to the proposal.
(10) Convert each computed value of forecasted patient days based on preceding sections of this rule to an average daily census (ADC).
(11) Estimate the statistically expected peak daily census, the statistical variability, or standard deviation, of the daily census and provide the methodology used by the applicant and sufficient information to validate use of the applicant's statistical model.
(12) Using a 10-year projection from the anticipated opening date of the new hospital, the applicant shall identify supported mathematical estimates of appropriate utilization levels and patient days generated because of changes identified in prior steps. The applicant shall explain the degree to which the utilization will be "new" days for the health service area population or will shift present health service area utilization patterns for the services. The applicant shall address whether this analysis supports the need for the proposed hospital.
(13) If the result of the above analysis indicates that psychiatric inpatient beds are needed in the proposed Health Service Area, an applicant for a new hospital shall weigh it against the availability of beds at other facilities and the availability of alternatives within the Health Service Area. Applicants shall use inpatient psychiatric bed capacity for all facilities in the Health Service Area as provided by the Oregon Health Authority. Conversion of existing beds to psychiatric inpatient beds will be presumed infeasible where a general acute inpatient hospital in the proposed Health Service Area has not increased their psychiatric inpatient bed capacity by 20 percent or greater over the prior three-year interval from the date the applicant submitted their letter of intent.
(14)(a) Applicants must document how the project will avoid adverse financial impact to existing psychiatric service providers and alternatives, particularly those serving high-acuity or underserved populations. The analysis shall address whether the proposed project will contribute to continuity or conversely, fragmentation of psychiatric care in the Health Service Area.
(b) For a proposed freestanding psychiatric hospital this shall include a transfer agreement, which must include reason for transfer, medical records and a medication list along with a commitment to take the patient back as soon as they are medically cleared.

STATUTORY/OTHER AUTHORITY: ORS 431.120, ORS 442.315

STATUTES/OTHER IMPLEMENTED: ORS 431.120, ORS 442.315

ADOPT: 333-615-0035

REPEAL: Temporary 333-615-0035 from PH 20-2025

RULE TITLE: Alternate Health Service Areas

NOTICE FILED DATE: 02/26/2026

RULE SUMMARY: Adopt OAR 333-615-0035: Establishes criteria and principles that must be addressed in a Certificate of Need (CN) application for a psychiatric hospital if the applicant proposes a deviation from the Health Service Area described by the Area Trauma Advisory Board.

RULE TEXT:
If an application for a psychiatric hospital proposes a deviation from the Health Service Area based on the Area Trauma Advisory Board (ATAB), the applicant must provide justification for any changes. The Oregon Health Authority (Authority) will consider factors including but not limited to: deviation requests based on demonstrated referral patterns, formal changes made by the Authority to the ATAB regions, anticipated changes to historical use patterns, demographic shifts, or out-of-state use (or other relevant migration patterns). The applicant must provide the Authority with the evidence justifying the proposed deviation. The Authority will have discretion in electing to permit a Health Service Area that deviates from the trauma system planning unit defined by OAR 333-200-0040 or similar successor service area model defined in rule used by the Authority for healthcare planning but must describe how it evaluated and weighed relevant factors.

STATUTORY/OTHER AUTHORITY: ORS 431.120, ORS 442.315

STATUTES/OTHER IMPLEMENTED: ORS 431.120, ORS 442.315

AMEND: 333-615-0040

REPEAL: Temporary 333-615-0040 from PH 20-2025

RULE TITLE: The Availability of Alternatives in the Health Service Area

NOTICE FILED DATE: 02/26/2026

RULE SUMMARY: Amend OAR 333-615-0040: Modifies the criteria and principles that must be addressed in a Certificate of Need (CN) application for a psychiatric hospital specific to the availability of alternatives in the Health Service Area.

RULE TEXT:

(1) The applicant shall provide a complete description of all alternatives to inpatient treatment at a psychiatric hospital available in the Health Service Area. This includes an inventory with provider name, type of mental health services provided, address, and if relevant and available: bed capacity, occupancy and utilization averages for each of the past five years in the Health Service Area.

(2) The methods of meeting acute inpatient psychiatric bed need, in order of preference, shall be preceded by a demonstration that alternatives have been evaluated and found infeasible based on cost, capacity, or access barriers:

(a) Conversion of existing licensed hospital space for the purposes of psychiatric treatment where such conversion is feasible to provide an adequate inpatient program at less cost than building new licensed space.

(b) A project resulting in the smallest feasible net increase in acute licensed capacity within an existing hospital or special inpatient care facility.

(c) A separately licensed new psychiatric hospital, not part of an existing licensed hospital, which will provide psychiatric inpatient care at the most reasonable charges per day and per inpatient stay event, for care that must be rendered on an inpatient basis. Evaluation of reasonableness of charges are qualities that tend to show charges are fair, competitive, and consistent with quality care. These factors include, but are not limited to, consideration of:

(A) Market rates for similar services by similarly situated entities;

(B) Patient outcomes and satisfaction;

(C) Regulatory compliance;

(D) Accreditation and certification; and

(E) Qualification of staff.

(3) A proposed psychiatric hospital shall be evaluated by comparison to alternatives with preference given in the following order:

(a) Projects which include development of alternative care resources as part of the project, if an unmet need for such resources in the Health Service Area is demonstrated.

(b) Projects for which formal arrangements, together with triage criteria and mechanisms, are documented in the application with respect to all levels of low-cost alternative care provided by the applicant.

(c) Documentation of triage criteria and mechanisms consistent with the level of care evaluation provided at ORS 743A.168(2).

(4) In evaluating the relationship of the proposed project to the existing health care system of the Health Service Area, the applicant shall address possible compromising of quality of care. The Oregon Health Authority shall consider the conformity to state safety and program standards of both the proposed project and existing providers, related health services now provided to the population of the Health Service Area; the impact of the project, once completed and operational, upon the financial ability of providers of related services to maintain present quality; and the feasibility that the proposed project will be sufficiently efficient to maintain quality standards at reasonable cost.

(5) The applicant shall address whether the insufficient availability of alternatives in the Health Service Area result in an over utilization of inpatient psychiatric services.

STATUTORY/OTHER AUTHORITY: ORS 431.120, ORS 442.315, ORS 743A.168

STATUTES/OTHER IMPLEMENTED: ORS 431.120, ORS 442.315

AMEND: 333-615-0050

REPEAL: Temporary 333-615-0050 from PH 20-2025

RULE TITLE: Quality

NOTICE FILED DATE: 02/26/2026

RULE SUMMARY: Amend OAR 333-615-0050: Modifies the criteria and principles that must be addressed in a Certificate of Need (CN) application for a psychiatric hospital specific to quality measures.

RULE TEXT:

An application for a new hospital shall include evidence showing:

(1) Triage criteria and mechanisms, including documentation that such criteria and mechanisms will be consistent with the level of placement criteria developed by the Office of Health Policy and insurers under ORS 743A.168(2).

(2) A sufficient supply of qualified personnel, including clinical, administrative, operational, and technical staff, are available or can be timely recruited to ensure the hospital operates safely, efficiently, and in compliance with applicable standards.

(3) There is reasonable assurance that the project will be in conformance with applicable state licensing requirements and will be certified under the Medicaid and Medicare program, with the applicable conditions of participation related to those programs.

(4) The proposed project will promote continuity in the provision of health care, not result in an unwarranted fragmentation of services, and have an appropriate relationship to the Health Service Area's existing health care system.

(5) The ability to provide appropriate access to quality general and multispecialty medical inpatient care.

(6) The applicant will accept and provide access to individuals enrolled in Medicaid, Medicare, or uninsured.

(7) The applicant will facilitate coordination with alternatives and other appropriate community resources.

(8) The applicant has treatment goal-setting protocols that focus on achieving sustained improvements in patient health and functioning.

(9) The applicant will maintain a readmission rate lower than or comparable to available regional or national benchmarks.

(10) The applicant will offer charity care, as defined in ORS 442.601(1), commensurate with other facilities with a comparable payor mix. The applicant must provide their policy for charity care and demonstrate ongoing compliance with federal and state law. The Oregon Health Authority (Authority) may consider the applicant's history of offering charity care in evaluating these criteria.

(11) The project's proposed services will be delivered safely and adequately, in compliance with all relevant federal and state laws, rules, and regulations. The evaluation of this criterion will consider whether the applicant has, in this state or elsewhere:

(a) Been criminally convicted related to operating a healthcare facility where the applicant held a direct or indirect ownership interest of five percent or more;

(b) History of the denial or revocation of a license to operate a healthcare facility where the applicant had a direct or indirect ownership interest of five percent or more;

(c) Had a license to practice a health profession revoked;

(d) Been subject to civil penalties, corrective action plans, program exclusions, or other significant adverse actions related to patient safety or regulatory compliance. The Authority will assess the nature, severity, timing, and corrective measures taken, and will provide the applicant an opportunity to submit mitigating information; or

(e) Been decertified as a provider in the Medicare or Medicaid program due to non-compliance with federal participation conditions where the applicant held a direct or indirect ownership interest of five percent or more.

STATUTORY/OTHER AUTHORITY: ORS 431.120, ORS 442.315, ORS 743A.168

STATUTES/OTHER IMPLEMENTED: ORS 431.120, ORS 442.315

ADOPT: 333-615-0060

REPEAL: Temporary 333-615-0060 from PH 20-2025

RULE TITLE: Cost

NOTICE FILED DATE: 02/26/2026

RULE SUMMARY: Adopt OAR 333-615-0060: Establishes the criteria and principles that must be addressed in a Certificate of Need (CN) application for a psychiatric hospital specific to cost-efficient services.

RULE TEXT:

A determination that a proposed project will foster cost-efficient services without compromising quality, shall be based on the following criteria:

(1) Superior alternatives, in terms of cost, efficiency, or effectiveness, are not available or feasible.

(2) In the case of a project involving construction:

(a) The costs, scope, and methods of construction and energy conservation are consistent with current construction standards for health care facilities; and

(b) The project's potential impact on the social and financial costs to the public of providing health services is consistent with ORS 442.310.

(3) The project will involve appropriate improvements or innovations in the financing and delivery of health services which foster cost-containment, and promote quality assurance and cost effectiveness.

(4) Rates which reflect low capital and operating costs and a justifiable rate of return.

STATUTORY/OTHER AUTHORITY: ORS 431.120, ORS 442.315, ORs 743A.168

STATUTES/OTHER IMPLEMENTED: ORS 431.120, ORS 442.315

ADOPT: 333-615-0070

REPEAL: Temporary 333-615-0070 from PH 20-2025

RULE TITLE: Use of Other Sources for Evaluating Applications

NOTICE FILED DATE: 02/26/2026

RULE SUMMARY: Adopt OAR 333-615-0070: Clarifies what other sources of information that the Oregon Health Authority may use in evaluating an application for a psychiatric hospital if the Certificate of Need (CN) administrative rules do not contain standards in sufficient detail to make a required determination.

RULE TEXT:
(1) In the event the Certificate of Need rules applicable to a psychiatric hospital do not contain standards in sufficient detail to make the required determinations, the Oregon Health Authority may consider:
(a) Nationally recognized standards from professional organizations;
(b) Standards developed by professional organizations in the State of Oregon;
(c) Federal Medicare and Medicaid certification requirements;
(d) State licensing requirements; or
(e) Applicable standards developed by other individuals, groups, or organizations with recognized expertise related to inpatient psychiatric care and treatment.
(2) Any external standards or guidelines considered must not conflict with the Health Services Area or the methodology described in OAR 333-615-0000 through 333-615-0070.

STATUTORY/OTHER AUTHORITY: ORS 431.120, ORS 442.315

STATUTES/OTHER IMPLEMENTED: ORS 431.120, ORS 442.315, ORS 743A.168