

December 22, 2025

The Honorable Tina Kotek

Governor of Oregon

Dr. Sejal Hathi

Oregon Health Authority Director

Leisl Wendt

Oregon Department of Human Services Director

Subject: Urgent Request to Allow Multnomah County to Enroll Individuals Experiencing Homelessness and Severe Persistent Mental Illness (SPMI) in Medicaid Long-Term Care (1915(k) and 1915(i))

Dear Governor Kotek, Director Hathi, and Director Wendt,

Multnomah County Commissioners are asking that the State of Oregon allow Multnomah County to enroll eligible individuals experiencing homelessness and severe persistent mental illness (SPMI) in Medicaid Long-Term Care — specifically 1915(k)¹ and 1915(i).²

Nearly 50% of individuals accessing shelters in Portland have an existing SPMI diagnosis.³ As Multnomah County moves these individuals into supportive housing placements utilizing Supportive Housing Services (SHS) funds, approximately 9% are unsuccessful in their housing placement because their needs exceed what SHS funding can provide.⁴ These individuals are eligible for Medicaid Long-Term Care programs, which would fund the additional support services and case management to keep them successfully housed. However, the State is preventing the legitimate enrollment of individuals whose primary diagnosis is SPMI into the 1915(k) and (i) programs, precluding Multnomah County from utilizing these tools to keep people housed. As a result, Multnomah County is hindered in its ability to leverage SHS funding to serve more people, the State and Multnomah County pay more money in reactive care than we would in preventative care, and individuals experiencing SPMI unnecessarily return to living on the streets.

The following is how the State prevents the legitimate enrollment of individuals whose primary diagnosis is SPMI into the 1915(k) and (i) programs:

1. The State refuses to let the County or any other entity enroll qualified individuals into 1915(k) if their primary diagnosis is SPMI. The County can process a 1915(k) application for seniors and individuals with physical or developmental disabilities. However, if the County attempts to process a 1915(k) application for an individual with a primary diagnosis of SPMI, the Oregon Dept. of Human Services returns the application with a letter stating that the individual does not

qualify for disability due to SPMI diagnosis. The State of Oregon is discriminating based on “*type or nature of disability*,” violating federal guidance and the Affordable Care Act Community First Choice Option.⁵ This failure to comply with federal law has been acknowledged by ODHS as illegal.⁶

2. The State of Oregon has exclusively contracted to Comagine the responsibility of enrolling eligible individuals — those with an SPMI diagnosis and that need assistance with at least 2 activities of daily living — into 1915(i). The County sends 1915(i) applications to Comagine for processing, but Comagine can take up to months to respond, leaving individuals without services that would help them stay housed. Multnomah County has offered to complete assessments and enroll individuals into 1915(i) due to Comagine’s inability to do this work. The State has repeatedly rejected Multnomah County’s request.

The State’s policy to 1) not enroll individuals into 1915(k) whose primary diagnosis is SPMI and 2) delegate sole responsibility of processing 1915(i) applications to an unresponsive contractor leaves people without the support that would keep them housed. This is a moral failure and fiscally wasteful. Upon returning to the streets, these individuals engage with law enforcement and health care services that are far more expensive to local and state governments than providing Medicaid Long-Term Care. The following are locations homeless individuals with an SPMI diagnosis often land at and their associated costs:

- It costs ~\$40,000 every 30 days to treat someone at the Oregon State Hospital.⁷ The Oregon State Hospital will receive over \$1 billion in funding in the 2025-2027 budget.⁸
- A 30-day inpatient stay in Oregon costs over \$80,000.⁹
- The Multnomah County Sheriff’s Office reports an average 30-day stay in Multnomah County jails costs \$10,902.¹⁰

Because these services are involuntary, they receive zero matching federal dollars — state and local governments bear the full cost. In contrast, enrolling an individual into Medicaid Long-Term Care and support services costs the State as little as \$600 a month.^{1,2,11}

Being unable to enroll individuals with an SPMI diagnosis into 1915(k) and (i) makes it impossible for the County to coordinate care before discharge from inpatient treatment, such as Unity, Oregon State Hospital, or jail. As a result, we are discharging people with an SPMI diagnosis back to the streets, eventually leading to contact with law enforcement that results in jail, emergency rooms, the State Hospital, and/or civil commitments. This is the current spending loop draining our state, county and city funding: *homelessness* → *interaction with police* → *treatment* → *mental health stability* → *housing without adequate support* → *back to homelessness*. We must break this loop to address the homeless crisis for those experiencing SPMI.

Multnomah County is using SHS funds to house people experiencing SPMI, but we are unable to leverage available federal Medicaid Long-Term Care dollars to ensure these individuals are successful in supportive housing placements. Multnomah County needs the State to enroll eligible Oregonians in Medicaid 1915(k) and (i) to cover the supportive services they need and are legally entitled. We urge

Multnomah County Board of Commissioners



you to take immediate action to address this moral and fiscal crisis that is burdening our homeless services system.

Sincerely,

The Multnomah County Board of Commissioners

A handwritten signature in black ink that reads "Jessica Vega Pederson".

Jessica Vega Pederson
Multnomah County Chair

A handwritten signature in black ink that reads "Meghan W. Moyer".

Meghan Moyer
Multnomah County District 1 Commissioner

A handwritten signature in black ink that reads "Shannon Singleton".

Shannon Singleton
Multnomah County District 2 Commissioner

A handwritten signature in black ink that reads "Julia Brim-Edwards".

Julia Brim-Edwards
Multnomah County District 3 Commissioner

A handwritten signature in black ink that reads "Vince Jones-Dixon".

Vince Jones-Dixon
Multnomah County District 4 Commissioner



References

1. The 1915(k) is the same program that serves seniors and other Oregonians with physical and developmental disabilities. This program was created by the Affordable Care Act and was designed to be an entitlement for any person who qualifies regardless of the type of disability. The 1915(k) is the only Medicaid program that could create a path to long-term care or residential care without involvement in the criminal justice system. Oregon receives a 65% (59% + 6% enhancement) federal matching rate for the 1915(k) State Plan.^{12,13}
 2. The 1915(i) waiver has the lowest barriers to enrollment. To qualify, an individual must have an SPMI diagnosis and need assistance with at least 2 activities of daily living. Oregon receives a 59% federal matching rate for the 1915(i) waiver.¹²
 3. [Health Share of Oregon – Health Share HMIS Analysis Updates: October 2025, slide 15](#)
 4. [Health Share of Oregon – Health Share HMIS Analysis Updates: October 2025, slide 16](#)
 5. [Federal Register: Medicaid Program: Community First Choice Option](#). *Section 1915(k)(3) of the Affordable Care Act*. “without regard to the individual's age, type or nature of disability, severity of disability, or the form of home and community-based attendant services and supports.” *Oregon is excluding mental illness diagnoses while including seniors and individuals with physical or developmental disabilities.*
 6. [2025-27 ODHS — Governor’s Budget Policy Packages \(POPs\), POP 560, p.282](#) “In Oregon, individuals under the age of 65 with a mental illness are excluded from long term services and support (LTSS) provided through APD... however, 1915(k) federal regulations require that states provide home- and community-based services to individuals who meet eligibility criteria, regardless of disability or diagnosis. We are not in compliance, as individuals with behavioral illnesses should not be excluded from 1915(k).”
 7. [The Oregonian – Oregon mental hospital is ‘world’s most expensive homeless shelter.’ state health director says](#). (2019) “Treatment at the state hospital costs \$1,324 per day for each patient.”
 8. [2025-27 Budget Summary For OHA’s Legislatively Adopted Budget](#), page 4. Oregon State Hospital 2025-27 budget is \$1,034,700.
 9. [Becker’s Hospital Review – Average cost per inpatient day across 50 states](#). (2015) *Average costs per inpatient day in 2013 in Oregon: State/local government hospitals: \$2,724; Nonprofit hospitals: \$3,206; For-profit hospitals: \$2,651*
 10. For further information on the average cost of a stay in Multnomah County jails, please contact the Multnomah County Sheriff’s Office.
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11. [Oregon Department of Human Services – K Plan and Home and Community Based Services](#), slide 17. (2025)
 12. [Congres.gov – Medicaid’s Federal Medical Assistance Percentage \(FMAP\)](#). (2025)
 13. [Oregon Health Authority – Final Report on K Plan Services and Supports](#), page 9. (2025)
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