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State/Territory Name: Oregon

State Plan Amendment (SPA) #: OR- 25-0022-A

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Form CMS-179
- 3) Approved SPA Page(s)

December 22, 2025

Dr. Emma Sandoe
Medicaid Director
Oregon Health Authority
500 Summer Street Northeast, E-65
Salem, OR 97301-1079

RE: §1915(i) State Plan Amendment (SPA) OR-25-0022-A and 1915(b)(4) Initial Waiver for OR-0014.R00.00

Dear Dr. Sandoe,

The Centers for Medicare & Medicaid Services (CMS) is approving Oregon's request to amend its 1915(i) home and community-based services (HCBS) benefit, transmittal number OR-25-0022-A, to add Agency with Choice as a service delivery model. CMS conducted a review of the state's submittal according to statutory requirements in Title XIX of the Social Security Act and relevant federal regulations. Enclosed is a copy of the approved state plan amendment (SPA).

This SPA is approved with a January 1, 2026, effective date.

It is important to note that CMS' approval of this 1915(i) amendment solely addresses the state's compliance with the applicable Medicaid authorities. CMS' approval does not address the state's independent and separate obligations under federal laws including, but not limited to, the Americans with Disabilities Act, §504 of the Rehabilitation Act, or the Supreme Court's Olmstead decision. Guidance from the Department of Justice concerning compliance with the Americans with Disabilities Act and the Olmstead decision is available at http://www.ada.gov/olmstead/q&a_olmstead.htm.

Concurrently, CMS is approving Oregon's request to initiate its 1915(b)(4) Fee-for-Service (FFS) Selective Contracting Waiver, CMS control number OR-0014.R00.00, titled Agency with Choice Freedom of Choice Waiver. This waiver allows Oregon to contract with up to two Agency with Choice providers. This 1915(b) waiver is authorized under section 1915(b)(4) of the Social Security Act and provides a waiver of the following sections of Title XIX:

- Section 1902(a)(23) Freedom of Choice

Our decision is based on the evidence submitted to CMS demonstrating that the state's proposal is consistent with the purposes of the Medicaid program, will meet all the statutory and regulatory requirements for assuring beneficiaries' access to and quality of services, and will be a cost-effective means of providing services to enrollees under this waiver.

The state must arrange for an independent evaluation or assessment (IA)¹ of their 1915(b) waiver program and submit the findings when renewing the section 1915(b) waiver program. The IA should be submitted with the waiver renewal request ninety (90) days before the expiration of the approved waiver program, October 2, 2030.

The 1915(b)(4) and 1915(i) actions operate concurrently. The 1915(b)(4) action is effective for five (5) years beginning January 1, 2026 through December 31, 2030. The state may request renewal of these waiver authorities by providing evidence and documentation of satisfactory performance and oversight. Oregon's request that these waiver authorities be renewed should be submitted to the CMS no later than October 2, 2030. The 1915(i) action is effective for five (5) years beginning January 1, 2022 through December 31, 2026. Since the state has elected to target the population who can receive §1915(i) State Plan HCBS, the state must submit a renewal application to CMS at least 180 days prior to the end of the approval period, June 30, 2026.

We appreciate the cooperation and effort provided by you and your staff during the review of these concurrent actions. If you have any questions concerning this information, please contact Carshena Harvin at (253) 615-2400 or via email at Carshena.Harvin@cms.hhs.gov for the 1915(i) or Chandni Patel at 410-786-4970 or via email at Chandni.Patel@cms.hhs.gov for the 1915(b)(4).

Sincerely,



George P. Failla, Jr., Director
Division of HCBS Operations and Oversight



John Giles, Director
Managed Care Group

Cc:

Jesse Anderson, OHA
Donny Jardine, OHA
Curtis Cunningham, CMS
Dominique Mathurin, CMS
Matt Rodriguez, CMS
Stephanie Sale, CMS

¹ [State Medicaid Director Letter, "Independent Assessment Requirement for Section 1915\(b\) Waiver Programs: Guidance to States."](#)

Kevin Patterson, CMS

Bill Vehrs, CMS

Heather Most, CMS

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER 2. STATE
2 5 0 0 2 2-A OR

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL
SECURITY ACT ☒ XIX ☐ XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
1/1/26

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 440.182, 1915(i), 42 CFR 440.167-1905(a)(24)(P&I)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 \$ 5,202,212 \$2,080,885 (P&I)
b. FFY 2027 \$ 6,936,282 \$2,774,513 (P&I)

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (Not Applicable)

~~Attachment 3.1-A, pages 9b through 9h (P&I)~~
Attachment 3.1-i, pages 1, 2 (P&I) and 50 through 54
~~Attachment 4.10-B, page 1a.2 and 1a.2.a (NEW) and 49 (P&I)~~

~~Attachment 3.1-A, pages 9b through 9h (P&I)~~
Attachment 3.1-i, 1, 2 (P&I) and pages 50 through 54
~~Attachment 4.10-B, page 1a.2 and 1a.2.a (NEW) and 49 (P&I)~~

9. SUBJECT OF AMENDMENT

This transmittal is being submitted to include an Agency with Choice model to the 1915(i) and state plan personal care sections. (P&I)

10. GOVERNOR'S REVIEW (Check One)

- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

15. RETURN TO

12. TYPED NAME

Emma Sandoe, PhD

13. TITLE

Medicaid Director

14. DATE SUBMITTED

9/29/25

Oregon Health Authority
Medical Assistance Programs
500 Summer Street NE E-65
Salem, OR 97301

ATTN: Jesse Anderson, State Plan Manager

16. DATE RECEIVED

9/29/25

FOR CMS USE ONLY

17. DATE APPROVED

12/22/25

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

1/1/26

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

George P. Failla, Jr.

21. TITLE OF APPROVING OFFICIAL

Director, Division of HCBS Operations and Oversight

22. REMARKS

11/10/25: State authorized P&I change to block 1,6 and 9
11/19/25: State authorized P&I change to block 7 and 8

1915(i) State plan Home and Community-Based Services Administration and Operation of Services

The State implements the optional 1915(i) State plan Home and Community-Based Services (HCBS) benefit for elderly and disabled individuals as set forth below.

1. **Services.** *(Specify the state's service title(s) for the HCBS defined under "Services" and listed in Attachment 4.19-B):*

Community-Based Integrated Supports (CBIS), HCBS Residential Habilitation, HCBS psychosocial Rehabilitation for persons with CMI, HCBS In-home Personal Care, Community Transportation, Home-Delivered Meals, Housing Support Services, Transition Services, and Pest Eradication Services.

2. **Concurrent Operation with Other Programs.** *(Indicate whether this benefit will operate concurrently with another Medicaid authority): Select one:*

<input type="radio"/>	Not applicable
<input checked="" type="radio"/>	Applicable
Check the applicable authority or authorities:	
<input type="checkbox"/>	Services furnished under the provisions of §1915(a)(1)(a) of the Act. The State contracts with a Managed Care Organization(s) (MCOs) and/or prepaid inpatient health plan(s) (PIHP) or prepaid ambulatory health plan(s) (PAHP) under the provisions of §1915(a)(1) of the Act for the delivery of 1915(i) State plan HCBS. Participants may <i>voluntarily</i> elect to receive <i>waiver</i> and other services through such MCOs or prepaid health plans. Contracts with these health plans are on file at the State Medicaid agency. <i>Specify:</i> (a) the MCOs and/or health plans that furnish services under the provisions of §1915(a)(1); (b) the geographic areas served by these plans; (c) the specific 1915(i) State plan HCBS furnished by these plans; (d) how payments are made to the health plans; and (e) whether the 1915(a) contract has been submitted or previously approved
<input type="checkbox"/>	Waiver(s) authorized under §1915(b) of the Act. <i>Specify the §1915(b) waiver program and indicate whether a §1915(b) waiver application has been submitted or previously approved:</i>

State: Oregon
TN:25-0022-A
Effective: 1/1/26

§1915(i) State plan HCBS
Approved: 12/22/2025

Attachment 3.1-i
Page 2
Supersedes:21-0013

<input type="checkbox"/>	Specify the §1915(b) authorities under which this program operates (<i>check each that applies</i>):			
	<input type="checkbox"/>	§1915(b)(1) (mandated enrollment to managed care)	<input type="checkbox"/>	§1915(b)(3) (employ cost savings to furnish additional services)
	<input type="checkbox"/>	§1915(b)(2) (central broker)	<input checked="" type="checkbox"/>	§1915(b)(4) (selective contracting/limit number of providers)
	<input type="checkbox"/>	A program operated under §1932(a) of the Act. <i>Specify the nature of the State Plan benefit and indicate whether the State Plan Amendment has been submitted or previously approved:</i>		
<input checked="" type="checkbox"/>	A program authorized under §1115 of the Act. Specify the program: Oregon Health Plan			

3. State Medicaid Agency (SMA) Line of Authority for Operating the State plan HCBS Benefit. (Select one):

<input checked="" type="radio"/>	The State plan HCBS benefit is operated by the SMA. Specify the SMA division/unit that has line authority for the operation of the program (<i>select one</i>):	
	<input checked="" type="radio"/> The Medical Assistance Unit (<i>name of unit</i>):	Health Systems Division
	<input type="radio"/> Another division/unit within the SMA that is separate from the Medical Assistance Unit (<i>name of division/unit</i>) <i>This includes administrations/divisions under the umbrella agency that have been identified as the Single State Medicaid Agency.</i>	
<input type="radio"/>	The State plan HCBS benefit is operated by (<i>name of agency</i>)	
	a separate agency of the State that is not a division/unit of the Medicaid agency. In accordance with 42 CFR §431.10, the Medicaid agency exercises administrative discretion in the administration and supervision of the State plan HCBS benefit and issues policies, rules and regulations related to the State plan HCBS benefit. The interagency agreement or memorandum of understanding that sets forth the authority and arrangements for this delegation of authority is available through the Medicaid agency to CMS upon request.	

Participant-Direction of Services

Definition: Participant-direction means self-direction of services per §1915(i)(1)(G)(iii).

Election of Participant-Direction. (Select one):

<input type="radio"/>	The state does not offer opportunity for participant-direction of State plan HCBS.
<input type="radio"/>	Every participant in State plan HCBS (or the participant's representative) is afforded the opportunity to elect to direct services. Alternate service delivery methods are available for participants who decide not to direct their services.
<input checked="" type="radio"/>	Participants in State plan HCBS (or the participant's representative) are afforded the opportunity to direct some or all of their services, subject to criteria specified by the state. (Specify criteria): Employer authority for Personal Care Attendants or Direct Support Worker providing HCBS In-Home Personal Care.

1. **Description of Participant-Direction** (Provide an overview of the opportunities for participant-direction under the State plan HCBS, including: (a) the nature of the opportunities afforded; (b) how participants may take advantage of these opportunities; (c) the entities that support individuals who direct their services and the supports that they provide; and, (d) other relevant information about the approach to participant-direction):

Participants can request personal care services through the 1915(i) plan. Service hours a person requires is based on a functional needs assessment used to determine all activities of daily living and instrumental activities of daily living that are necessary for an individual to move into or remain in their own home. Participants may receive personal care services by selecting and hiring a Personal Care Attendant on their own or through services delivered by an Agency with Choice. Agency with Choice is a self-directed service delivery model in which the agency serves as the common law employer of direct support workers (DSW) chosen by the participant, while also partnering with the participant to provide support finding a DSW, setting up a back-up plan, and related tasks. The participant chooses, trains and directs the DSW who will provide their services and acts as a co-employer with the Agency with Choice. Individuals select their Direct Support Workers among those available at the AwC.

- (a) Nature of opportunities for participant direction. OHA provides opportunities for participants to exercise Employer Authority in HCBS In-Home Personal Care services. Participants may find their own candidates for employment, screen otherwise qualified candidates for ability to meet participant needs, hire, supervise, direct and discharge employees enrolled as Personal Care Attendants. Participants establish work schedules and train employees in how they prefer to receive their services. . Participant also has an option to exercise self-direction as a co-employer under the Agency with Choice model.

Description of Participant-Direction (Cont)

(b) Process for accessing participant-directed services. The IQA case manager will discuss various services options with every eligible individual/legal representative who chooses home and community-based services. When the preference is to receive services at home, the IQA case manager will inform the individual/legal representative of the option to receive them from a Personal Care Attendant, an in-home care agency, or Agency with Choice.

(c) Entities involved in supporting participant direction and supports provided.

1) Information and assistance in support of participant direction:

- IQA case manager and/or OHA provides access to a state registry of Personal Care Attendants who have met minimum qualifications for enrollment including a criminal history check conducted by OHA.
- A contract RN, if referred by the IQA case manager, clinician or CMHP may also provide care assistance training and teaching opportunities to both the participant-employer and the Personal Care Attendant employee. Under Oregon law, contract RNs are also able to delegate certain nursing tasks to the Personal Care Attendant employee such as insulin injections.
- The Oregon Home Care Commission (OHCC) offers an Employer Resource Connections (ERC) program in which an ERC consultant assists participants individually in carrying out the responsibilities of being the employer of the Personal Care Attendant employee.
- The participant-employer may also request further assistance of the OHCC in working with Personal Care Attendant employees.
- Individuals can apply to become a Personal Care Attendant through the IQA. The IQA assists individuals with the application process including completion of the application, facilitation of background checks, information about training, and assistance with provider enrollment. The Oregon Home Care Commission offers training through a contractor for Personal Care Attendants including an in-person orientation at various locations statewide, online new worker core training and online continuing education.
- OHA issues payment to the Personal Care Attendant employee and addresses tax and other employer-related financial requirements on behalf of the participant-employer. The participant-employer signs off on a monthly voucher verifying the number of hours their employee worked, up to the maximum monthly hours authorized by the IQA.
- Agency with Choice bills OHA at an approved hourly reimbursement rate for services rendered by Direct Care Workers up to the maximum monthly hours authorized in the person-centered service plan. The participant-employer and Direct Support Worker verifies hours worked using an electronic visit verification (EVV) system.
- The IQA case manager provides a task list to the individual and Personal Care Attendant based on the person-centered service plan.

Description of Participant-Direction (Cont)

The IQA case manager monitors the service plan, identifying risks and unmet needs and discussing options with individuals. At a minimum, reassessments of needs are completed once a year. IQA case managers are expected to identify and monitor more closely if the situation warrants, for example if the individual's health is fragile, if there are provider issues, mental health stability concerns or protective service issues.

The Agency with Choice model will supervise, train, and monitor the conduct of all AWC program staff including DSWs when acting within the scope of their employment or duties. They shall act as the employer of record, providing its DSWs with administrative support for payroll, benefits, and employment-related taxes, including, but limited to workers compensation premiums and unemployment taxes. AWC will coordinate the schedules of DSWs according to individual choices, needs and preferences, ensuring that support is person centered and self-directed.

The participant has the right to fire the worker at any time, for any reason. The IQA case manager may alter the services authorized based on reassessments of the participant's needs. In that situation, the IQA or OHA sends a notice of reduction or termination of services to the participant. The IQA or OHA also sends a notice to the worker if the hours change.

- 2. Limited Implementation of Participant-Direction.** *(Participant direction is a mode of service delivery, not a Medicaid service, and so is not subject to statewideness requirements. Select one):*

<input checked="" type="radio"/>	Participant direction is available in all geographic areas in which State plan HCBS are available.
<input type="radio"/>	Participant-direction is available only to individuals who reside in the following geographic areas or political subdivisions of the state. Individuals who reside in these areas may elect self-directed service delivery options offered by the state, or may choose instead to receive comparable services through the benefit's standard service delivery methods that are in effect in all geographic areas in which State plan HCBS are available. <i>(Specify the areas of the state affected by this option):</i>

- 3. Participant-Directed Services.** *(Indicate the State plan HCBS that may be participant-directed and the authority offered for each. Add lines as required):*

Participant-Directed Service	Employer Authority	Budget Authority
HCBS In-Home Personal Care	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>

4. **Financial Management.** *(Select one):*

<input checked="" type="radio"/>	Financial Management is not furnished. Standard Medicaid payment mechanisms are used.
<input type="radio"/>	Financial Management is furnished as a Medicaid administrative activity necessary for administration of the Medicaid State plan.

5. ☒ **Participant-Directed Person-Centered Service Plan.** *(By checking this box the state assures that):* Based on the independent assessment required under 42 CFR §441.720, the individualized person-centered service plan is developed jointly with the individual, meets federal requirements at 42 CFR §441.725, and:

- Specifies the State plan HCBS that the individual will be responsible for directing;
- Identifies the methods by which the individual will plan, direct or control services, including whether the individual will exercise authority over the employment of service providers and/or authority over expenditures from the individualized budget;
- Includes appropriate risk management techniques that explicitly recognize the roles and sharing of responsibilities in obtaining services in a self-directed manner and assures the appropriateness of this plan based upon the resources and support needs of the individual;
- Describes the process for facilitating voluntary and involuntary transition from self-direction including any circumstances under which transition out of self-direction is involuntary. There must be state procedures to ensure the continuity of services during the transition from self-direction to other service delivery methods; and
- Specifies the financial management supports to be provided.

7. **Voluntary and Involuntary Termination of Participant-Direction.** *(Describe how the state facilitates an individual's transition from participant-direction, and specify any circumstances when transition is involuntary):*

Voluntary Termination of Participant Direction-

Individuals may voluntarily terminate their self-directed services at any time. When an individual chooses to terminate their employer responsibilities, the IQA case manager will discuss the available service options provided by In-Home Care Agency or the Agency with Choice providers and will update the Person-Centered Service Plan.

Involuntary Termination of Participant Direction-

An individual may have their employer authority terminated when they are unable to meet the responsibilities of being an employer as evidenced by such things as:

- (A) Independent provider complaints;
- (B) Multiple complaints from an independent provider requiring intervention from OHA or IQA; intervention include such actions as:
 - (a) A documented review of the employer responsibilities
 - (b) Training related to employer responsibilities;

Voluntary and Involuntary Termination of Participant-Direction (Cont)

- (c) Corrective action taken as a result of an independent provider filing a complaint with OHA or OHA's designee, or other agency who may receive labor related complaints;
 - (d) Identifying a representative if an individual is not able to meet the employer responsibilities described in number 2 of this section (Participant-Direction of Services); or
 - (e) Identifying another representative if an individual's current representative is not able to meet the employer responsibilities described in number 2 of this section (Participant-Direction of Services).
- (C) Frequent errors on time sheets, mileage logs, or other required documents submitted for payment that results in repeated coaching from the OHA or IQA;
- (D) Complaints to Medicaid Fraud involving the individual or the individual's representative; or
- (E) Documented observation by the IQA of services not being delivered as identified in the individual's PCSP.

When employer authority is removed, the identified support needs can be met using services available from provider types that do not have an employment relationship with the individual. Specific providers of these types may be selected from those available by the individual or the individual's legal representative. Participant direction of these providers will be encouraged and allowed to the greatest extent possible. The individual's case manager will revise the previously authorized Person-Centered Service Plan to assure all support needs formerly met by the Personal Care Attendant will be met by the new provider type.

If the individual chooses not to utilize the alternate provider types or alternate provider types are unavailable, the individual or the individual's legal representative will be advised of options for meeting identified needs through other home and community-based services. Individuals will be informed of the opportunity to request a Medicaid Fair Hearing.