



“On the Grounds of” or “Adjacent to” Fact Sheet for Home and Community- Based Services (HCBS) and Settings

Updated: March 17, 2026

Authority: [42 CFR 441.530\(a\)\(2\)\(v\)](#), [42 CFR 441.710\(a\)\(2\)\(v\)](#) and [42 CFR 441.301\(c\)\(5\)\(v\)](#)

In a Community-Based setting:

There are new Federal Medicaid rules. These rules are about Home and Community-Based Services (HCBS) and settings. Under the new rules, a setting that is located in the same building as, on the grounds of, or next to a public institution is presumed to be institution-like. Settings that are determined to be institution-like are not HCBS settings.

The Federal language uses “adjacent to.” “Adjacent to” means next to or across the street from.

In Oregon this means:

Settings that are in the same building as, on the same grounds as, or next to a public institution, such as the Oregon State Hospital:

- May have qualities of an institution.
- May isolate you from the community.

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- Will be looked at closely in a process called heightened scrutiny.

Heightened scrutiny is a review of a setting to decide whether the setting is home and community-based.

Examples of places not considered public institutions in these regulations are:

- Libraries
- Schools
- Hospitals (other than the Oregon State Hospital)

The federal rules allow for a transition period for states to fully comply with the new rules. For additional fact sheets or more information regarding the Oregon HCBS Transition plan, please visit the [HCBS Transition Plan webpage](#).

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Aging and People with Disabilities

Long-Term Services and Supports

500 Summer St. NE, E-10

Salem, OR 97301-1076

503-945-5600

odhs.info@odhs.oregon.gov

www.oregon.gov/odhs