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Rep. Mitch Greenlick, Chair
House Committee on Health Care
900 Court Street NE
Salem, Oregon 97301

Chair Greenlick:

AARP Oregon supports House Bill 2056 with the -1 amendment. The bill primarily does two things: reauthorizes the long-term facility assessment fee to July 1, 2020; and provides the Department of Human Services (DHS) the authority to develop criteria for "capacity reduction" agreements.

The revenue from the assessment fee is projected to generate approximately \$110 million for the 2013-15 budget. With federal matching funds, the total funds generated are approximately \$295 million. This revenue is assumed in both the Governor's Recommended Budget and the Co-Chairs' Budget. The use of the funds helps ensure that seniors and people with disabilities have access to the services and supports they need.

Capacity reductions agreements will be designed to make the Medicaid long term care delivery system more efficient and cost effective. The bill authorizes DHS to pay limited duration augmented rates as a part of the agreements that meet criteria. In addition, AARP Oregon appreciates the inclusion of the Long-Term Care Ombudsman in regional planning necessary to ensure the safety and dignity of residents living in facilities entering into capacity reduction agreements.

AARP Oregon urges your support of House Bill 2056-1. The long-term facility assessment fee is essential to the continued funding of Oregon's model long-term care system. The capacity reduction agreement is the next step of ongoing efforts to services and supports in a cost effective manner.

Thank you for your consideration,

Rick Bennett
Director, Government Relations
AARP Oregon