

Oregon Legislature's Revenue Committee Hearing on HB-2056 April 5, 2013

Good-Morning Chair Representative Barnhart and members of the Committee; my name is Ray McGovern and I reside at 17440 Holy Names Drive in Lake Oswego which is Mary's Woods CCRC. I am here to ask you to amend HB-2056 and to leave the Medicaid Bed Tax exemption on CCRC's such as Mary's Woods as it is today. Because of the Fiscal Year differences and the changing figures of bed numbers the figures I use are approximates and I only speak about Mary's Woods and our experiences.

HB-2056 in its current form removes the Bed Tax Exemption from Mary's Woods which has 31 Skilled Nursing beds. The removal of this exemption is akin to adding an 8 or 9 percent sales tax to each bed user or about 20 to 25 dollars a day. Mary's Woods Skilled Nursing bed users or its residents will be paying approximately a quarter of a million dollars a year in sales taxes.

If Mary's Woods management decides to spread out this sales tax so it is shared by all our residents it will add about 70 dollars a month to the Service Fees that my wife and I now pay to live there. Can I afford it; do I have a choice? I can't pick up and move as we have made a large financial commitment.

Unfortunately Mary's Woods address is in Lake Oswego which has a reputation of wealth, but it does not extend to Mary's Wood CCRC. Mary's Woods began in the early 1900's as a convent for the Sisters of the Holy Name who founded Marylhurst University and other schools and over the years became a retirement home for the sisters. In 2000 the Sisters of Mary's Woods decided to add to the building and open a CCRC as a way to get income to help support the retiring sisters which is what it is today.

Most of the residents of Mary's Woods used the sale of their home to pay the entrance fee; as we did. The entrance fee varies depending on the size of the unit you want. In 2009 we chose a one bedroom apartment of 825 square feet and the Entrance Fee was \$296,900, of which 80% will be returned to our estate on death; we currently pay a Service Fee of \$3400 per month for our care. I am telling you all this so you can see that all the people who live at a Lake Oswego address are not wealthy or even close. One of the greatest fears we elderly have is to run out of money in our final years and must depend on family or others to pay for our cost of dying.

Mary's Woods has a "Residents Fund" to aid those residents who have run out of money and need financial help in their final years. This fund was created and is totally supported by the residents for the residents. I am not ignoring the good that Medicaid does for those who are in need. I just feel it is wrong to place the burden on those who have provided for themselves in their final years so as not to be a burden on anyone. Please leave the Medicaid Bed Tax exemption in HB-2056 as it is today.

Thank you for your time and your service to the people of Oregon. If you have questions I will try to answer them.

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