



April 23, 2013

Chair Phil Barnhart  
House Committee On Revenue  
Oregon State Legislature  
900 Court Street  
Salem, OR 97301

Chair Barnhart and Members of the House Committee on Revenue:

Thank you for the opportunity to submit testimony regarding House Bills 2482, 2483, 2490 and 3369, relating to what is commonly referred to as the Senior Medical Expense Deduction. These bills are looking at revisions to this deduction currently available for Oregon seniors. While we recognize there is a need to look at this current provision in tax structure, our priority related to these proposed revisions is the redirection of savings realized through this work to benefit seniors in our state.

O4AD represents the 17 Area Agencies on Aging and providing services and supports for all seniors receiving help via the Older Americans Act and Oregon Project Independence programs and well over 50% of seniors and people with disabilities receiving long-term services and supports through Medicaid funded long-term services and supports. We have heard extensively from seniors about proposed changes to this deduction.

When asking Oregon's seniors to give up part of the deduction they have realized for many years, making a commitment to reinvest those savings from changes in this deduction back into services for seniors makes sense and is a smart investment. Programs including Oregon Project Independence and Special Needs Transportation are programs that have eligibility open to all Oregon seniors and have a direct impact on helping seniors with increasing their independence, dignity, choice and safety, should be considered as investments for the savings realized by revising this existing program. At a time when our budgets are taking hit after hit for seniors, this can offer some relief.

Services and supports that help Oregon's seniors and people with disabilities retain their independence, dignity and choice while also improving safety have taken multiple cuts for the last several biennium. We are at a period of time where we have greater need than we have funds to support smart investments in prevention and early intervention to help lower the cost curve overall in long-term care for our state. And costly reliance on entitlement programs. Seniors are waiting to receiving help through Oregon Project Independence and we are now seeing the implementation of waiting lists for meals programs due to Federal sequestration.

While Oregon's model of long-term care has been often lauded nationally, it is important to remember that it is our Medicaid system that has the recognition, albeit less stable than in the past. However, Oregon's investment and prioritization in prevention programs, in healthy aging, in evidence based programming to help improve chronic disease management, medication management, and many other areas lags far behind many other states. We are not a leader on this important side of the long-term care fence, which is shown to drive down costs, drive down reliance on entitlement care and save dollars to budgets. We can do better.

Thank you for your consideration of this legislation and we look forward to working with you on this issue.

Rodney Schroeder  
Chair, O4AD  
Executive Director (Operations), Northwest Senior & Disability Services (Marion, Polk, Clatsop, Yamhill & Tillamook)