



# Oregon

John A. Kitzhaber, MD, Governor

**Department of Human Service**

*Office of the Director*

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January 24, 2014



The Honorable Senator Richard Devlin, Co-Chair  
The Honorable Representative Peter Buckley, Co-Chair  
Committee on Ways and Means  
900 Court St NE  
Salem, OR 97301-4048

Dear Co-Chairs:

## **Nature of the Request:**

Update on Nursing Facility Capacity Reduction Activities.

## **Background:**

As part of the Department of Human Services' budget, SB 5529 (2013), the Legislature adopted the following budget note:

The Legislative Assembly is invested in ensuring that local resources exist to serve seniors, people with disabilities, individuals with mental illness, and individuals with physical or mental health needs in need of community transitions or placement. More capacity is needed to divert or transition individuals currently residing in the Oregon State Hospital or other costly inpatient settings.

As the Department conducts regional meetings required under House Bill 2216, the Department of Human Services should consult at the state level and with local communities regarding the need for more community based settings for these populations. The Department shall also engage with local nursing facility providers that are considering taking advantage of the capacity reduction initiatives contained in HB 2216 to assess opportunities for more residential and supported housing capacity development for the afore-mentioned populations.

The Department, in partnership with the provider community, shall track and report on discussions about capacity reduction and transition. The first report will be to the Joint Committee on Ways and Means during the 2014 Legislative Session. The second report will be to the Interim Joint Committee on Ways and Means or the Emergency Board, during or near November 2014.

**Agency Action:**

HB2216, the bill that incentivized nursing facility reduction activities, became law on October 7, 2013. Since that time, the Department has presented information on the bill at the Oregon Health Care Association's annual conference. The session was well-attended and included administrators and owners of nursing facilities throughout Oregon. We have also provided information on the bill individually to other interested providers. Finally, the Oregon Health Care Association has been presenting information on the bill and its benefits to their members.

To date, only one set of parties has approached the Department to initiate those conversations. The Department is in the process of scheduling that meeting and will address the requested topics during the regional meeting.

**Legislation Affected:**

None

We are hopeful and anticipate that activity will increase in the near future. If you have questions, please call Mike McCormick at (503) 945-6229.

Sincerely,



Eric L. Moore  
DHS Chief Financial Officer

cc: Ken Rocco, Legislative Fiscal Office  
George Naughton, Chief Financial Office  
Laurie Byerly, Legislative Fiscal Office  
Tamara Brickman, Legislative Fiscal Office  
Jim Carbone, Chief Financial Office  
Mike McCormick, DHS APD Director