



To Whom It May Concern:

March 18, 2015

My name is Toby Forsberg and I am writing to you today as a former candidate for State Representative and public sector employee, and now as a small business owner and co-chair of the OHCA In-Home Care Division. Approximately 4 years ago I started a company called Affordable Care NW, LLC, which now does business as Helping Hands Home Care. We are a well-respected in-home care company with approximately 130 employees serving seniors and people with disabilities.

We currently pay better than market rate to employ the best caregivers in the field. Our average wage is approximately \$11 per hour. We operate on a sliding fee scale and offer those clients who have less, a lower rate. We cap our price to our clients at \$21.90 per hour and don't charge for nursing assessments, care coordination, training and case management.

As a former candidate for office, one of the foundations of my campaign was based on providing a living wage. Determining what we charge for services has always been a balancing act in our line of business. Wanting to pay our caregivers top dollar, while maintaining an affordable rate to our clientele is a constant challenge. We don't provide a commodity, but an invaluable service that helps our most vulnerable population remain at home and free of injury. The choice not to charge more stems from the desire to help this older population who are typically on fixed incomes maximize their savings and income by keeping prices low. What this does is allows seniors and people with disabilities to purchase more service hours and extend their independence while maintaining a safe environment.

I am writing to you today to ask that you thoroughly consider the harmful ramifications an increased minimum wage would have on our most vulnerable populations. If a \$15 minimum wage goes into effect, even in a tiered roll-out over the span of 3 or 4 years, companies like mine who pay their CNA's and caregivers more than minimum now, would have to pay well over \$16 per hour to retain staff. We would then be forced to increase our hourly rate at an equivalent ratio.

The cost to seniors and people with disabilities on fixed incomes would increase to the point where they would have to drastically reduce their services whereby leaving them alone and without care. In our industry, providing these services as long as possible is paramount to keeping seniors safe. The fewer hours they employ us, the more at risk of falls and illness they become. This will lead to more hospitalizations, emergency room visits and moves to more costly skilled nursing facilities.

When I worked at Clackamas County and had a good paying job and benefits, at first glance I would have thought it was perfectly reasonable to raise the minimum wage. It wasn't until being in this industry and knowing the potential impact on business that I have come to be in opposition to the minimum wage increase at the proposed rate. This is not selfish opposition, but rather insight into an industry that is growing and will be impacted negatively on many levels.

I would have thought like many that raising the rate was reasonable and businesses could absorb the increase by raising their rates. My initial justification would have been "sure, the price of products and services will go up, but those who receive the raise will be able to afford the increase. However, in my industry and many others where we rely on Medicaid reimbursements that are fixed contract rates, we would be operating at a loss. Furthermore, the bulk of those receiving care are on fixed incomes.

Approximately 50% of our portfolio are Medicaid clientele. This business would need to be discontinued immediately and caregivers laid-off. Private clients would receive extensive rate increases and surely reduce their hours too, whereby causing more job loss. Depending on the reduction of hours, our business may choose to close its doors. I know you have probably heard that argument before, but with a fixed Medicaid contract rate and concurrent compliance with the Affordable Care Act which will also greatly reduce our margins, I assure you it would be a distinct possibility.

There is a reason that no other state in the union has jumped on minimum wage increase of this magnitude. The issue is complex and needs to be analyzed and researched closely and throughout multiple industries, not solely service, retail and hospitality, as to its overall impact. I am not opposed to a minimum wage increase, but 3 or 4 years to reach \$15 per hour is much too soon to reach over 33% of what it is today.

It is often stated that small business is the backbone of our economy. I agree and believe it is much too great an increase and much too soon in the midst of our economic recovery to force employers to incur and absorb these costs. Our caregivers and working residents of Oregon deserve more, but please consider the negative macro-economic impact of having a higher minimum wage as proposed in HB 2009 on the senior population, the healthcare industry and small business.

Thank you for your time and consideration and please feel free to contact me should you have more questions.

Sincerely,

Toby Forsberg, President / CEO
Affordable Care NW, LLC
DBA Helping Hands Home Care
6901 SE Lake Rd., Ste. 22
Portland, OR 97267
503-239-8000