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Chair Keny-Guyer, Vice Chair Sanchez, Vice Chair Olson, Members of the committee,

My name is Kyndall Mason, and I am a policy strategist for SEIU Local 503 here. Thank you for having me here this morning, I am here testifying in support HB 2684. HB 2684 has three components: transparency, enhanced enforcement and a wage pass through for Direct Service Providers (DSPs). Each component of the bill is important to ensure the Legislature, the Department, and other policy makers are equipped with as much information as possible to make well-informed decisions as to policy AND funding now and into the future. We believe HB 2684 offers protections for some of Oregonians most vulnerable as well as enhances the workplace for the dedicated workers providing service to people with disabilities.

First, Section 3 of HB 2684 creates a much more transparent and accountable service delivery process. It is clear the current system itself is anything but clear and transparent. The complicated web of services makes it difficult, if not impossible, to assure we are meeting the primary objective of providing people with a support system that allows for independence, dignity and choice. While it is one of the most expensive support service delivery options, wages are the lowest when compared to other long term care providers and the turnover rates for workers are roughly 90%. A turnover rate so shockingly high is bad for providers and especially bad for consumers receiving care. As a system operating almost entirely on Medicaid funding, it is in the best interest of the state to truly understand how the rates support the delivery of services to the consumers. HB 2684 calls for a level of transparency mirroring what we currently see in the nursing facility rate structure. HB 2846 proposes:

- Full disclosure of financials detailing where funding is derived and where it is spent.
- Full disclosure of board membership as well the disclosure of any subsidiary operations that could pose a conflict of interest -- a concern outlined in the report we just heard.

If we want to get to learn about how the system is serving consumers, the first, and most important, step is to have a complete picture of how the system even operates. That is the goal of Section 3.

Second, Sections 4, 5, and 6 propose enhanced enforcement mechanisms which finally provide critically needed accountability, oversight, and worker protections. HB 2684 adds enhanced whistle-blower protections for workers who report abuse. This bill will allow workers to report abuse without fear of retribution or retaliation. In addition, HB 2684 includes a

clear definition of a “license renewal fee”. Currently, it is unclear if a license renewal fee is even collected. Current rules and statute contradict one another -- statute states there is a renewal fee and rule states there isn't. Furthermore, this bill addresses the need for enforcement of fines levied on providers, as well as a need to increase those fines. As detailed in the report, it does not appear fines are issued equitably or that the cost of those fines are enough to deter infractions in the first place. By increasing the fines themselves, as well as the metrics in which they are applied, we can hold those who violate rule and/or statute accountable.

Lastly, HB 2684 proposes lifting the wages for DSPs coupled with a “wage pass through”. It is no secret that DSP wages are some of the lowest in the long term spectrum of care, and that those low wages are one clear cause of the near constant turnover many group homes are facing. This bill calls for a direct wage pass through to DSPs to ensure any rate increase is reflected in a corresponding increase in worker wages. More than 21 states have enacted wage pass throughs for direct care providers in long term care, recognizing that low wages contribute to high turnover and poor quality of care. As we consider continually increasing rates in this community, we need to make sure wages are being passed along directly to workers. Without transparency and accountability there is really no way to for the Legislature, nor the agency, to ensure efforts to increase wages through rate increases are actually reflected in worker paychecks. Without more clarity in the system, we could end up with another situation like wage setting in the current rate model. Group homes believed the rate model supported a \$10.80/hr wage average, but the rate model actually set wages at \$12.93/hour. This type of confusion only enforces the need to include a wage pass through, in addition to the transparency and enforcement recommendations outlined in the bill.

Thank you for taking the time to consider the elements of HB 2684 as a three-pronged approach to fixing a clearly broken system. HB 2684 is a step in the right direction on pulling back the curtain and doing the work to truly understand a system that thousands of people's lives depend on. We owe it to workers, and consumers alike, to understand the system we fund.