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**Adult & People with Disabilities Budget Testimony  
Joint Ways & Means Subcommittee on Health & Human Services  
March 28, 2017**

Co-Chair Steiner Hayward, Co-Chair Rayfield and members of the Committee, thank you for the opportunity to testify before you today on APD's budget. I am Ruth Gulyas, CEO of LeadingAge Oregon – the statewide association of not-for-profit and other mission-directed organizations dedicated to providing quality housing and services to the elderly. Our members include nursing homes, residential care, assisted living, home care agencies, continuing care retirement facilities known as CCRCs and federally subsidized housing for low-income seniors. With me is Donna BreMiller, COO of Mennonite Village a faith-based, mission-directed CCRC offering a full array of long term services and supports in the Albany area. Mennonite Village also manages Corvallis Caring Place a 42 unit assisted living community.

As you work towards solutions in building a budget to meet the needs all Oregonians in view of a large shortfall, we ask that you continue to adequately fund our nationally recognized system of long term services and supports so that Oregon's elders may live a life of dignity when they need some assistance.

We're thankful that you do not have to build the budget in tandem with a drastic restructuring of our Medicaid system through caps or block grants, which was prevented by withdrawal of the American Health Care Act on Friday. I and many LeadingAge Oregon members were in DC last week on the day before the planned vote on the AHCA, asking Oregon's Congressional delegation to vote against passage and thanking them for their ongoing support.

I want to speak to Medicaid rates by sharing the story of one of our members – Willamette Manor – a 42 unit assisted living community in Lebanon. Their story is one that illustrates the inadequacy of current Medicaid rates, particularly in view of the rising resident acuity, the present workforce crisis and increasingly competitive environment.

Willamette Manor is funded through Oregon Housing and Community Services. They are required to have a low income population of 60% - far higher than most assisted living communities. Even so, they usually have a resident census of 70% Medicaid, because in the words of the administrator "no other community will take them." They often have an annual deficit of \$40,000 to \$80,000 that they work diligently to offset through a variety of fundraising activities. She estimates that the current Medicaid rate is about \$20 a day less than it takes to provide quality care and services to those residing in their community.

The administrator spoke to the increasing acuity and related services needs of residents, which widens the gap between what is needed and what Medicaid covers -- again making it difficult to provide needed services with existing Medicaid payments.

Due to recent changes made to need thresholds for Medicaid eligibility, a resident that was recently reassessed has to move out because he is no longer Medicaid eligible. Despite the fact that he has lived there for over 4 years, is on dialysis and in a wheelchair, he refuses help with bathing and dressing that the community once provided because he wants to maintain his dignity and independence. Even though he gets helps on dialysis days, he is going to have to move out . When I asked the administrator where this man will go and whether he had nearby family to go to, she said that several of his family lived in the facility and she didn't know where he would go.

She indicated one of her greatest challenges is finding caregivers in an already challenging workforce environment because of what she is able to pay based on her reliance on Medicaid. She has difficulty competing with other communities that are able to pay more due to their size and either no Medicaid or much less reliance on Medicaid.

As you build the budget and consider budget solutions, we ask that you prevent cuts to vital services to Oregon's seniors and people with disabilities and that you consider the inadequacy of Medicaid rates in providing needed quality services.

Thank you for your time and the opportunity to share our members' perspective and experience with you today.

Donna is now going to share the impact of stagnant Medicaid rates on Mennonite Village's ability to serve Medicaid residents.