

Capitol March 28, 2017

Co-Chair Steiner Hayward, Co-Chair Rayfield and members of the committee, thank you for the opportunity to testify. I am Donna BreMiller, COO of Mennonite Village in Albany, and a member of Leading Age Oregon's Legislative Committee.

The Mennonite Village is the 2nd largest Continuing Care Retirement Community in Oregon. In July, we will be celebrating 70 years of service to the greater Albany vicinity. From its inception a core focus of the mission has been to serve the underserved. Today the organization is 1 of only 2 CCRCs in the state that participates in Medicaid. The Nursing Facility, Assisted Living and Memory Care facility all have Medicaid contracts.

While the desire to continue with this focus of the mission remains strong, it is becoming more difficult to provide quality services across the spectrum while maintaining a bottom line that allows the organization to invest in staff and resident programming. In addition to the financial pressures with Medicaid Reimbursement, the impact of the minimum wage increases over the next few years makes the financial picture bleak at best.

Over the last 10 years the acuity of residents in all care areas has increased while the number of residents able to pay privately is gradually dwindling. As the % of residents having their care paid for by Medicaid expands this results in private pay residents paying more to cover the gap. This spiral impact results in private pay residents depleting their resources faster thus needing Medicaid support that is already spread thin.

Specific care area challenges with the current Medicaid Reimbursement....

Nursing facility

- **Medicaid Rate-** \$8432 a month (no distinction for private vs. semi-private). This also covers medical supplies and medications.
- **Private pay rate-** \$8967-\$13,145. (8 levels)- In addition private pay residents are also charged for their medical/ personal supplies and medications.
- **% Medicaid- out of the 95 bed facility currently 63 are occupied by long stay residents. Of the 63, 35 are on Medicaid or 55% of the permanent long stay residents.**
- **In addition our facility also pays a provider tax that is based on occupied beds but generally the tax totals over \$700k a year.**
- In May the facility will be breaking ground on a new nursing facility. The end result is for the majority of rooms (suites) to have private bathrooms and showers in each living unit. The goal is for residents, regardless of payer source to be able to live in a private space.

Assisted Living

- **Medicaid Rate-** \$ 1698-\$3221 (5 levels)
- **Private Pay rate-** prior to moving in we screen to assure that residents are able to pay privately for 18 months. \$3525-\$6432 (studio rates, 1 bedroom \$4490-\$7397, 8 levels of service)
- **%Medicaid-of the 83 occupied apartments 14, or 17% of the occupied units are filled by Medicaid residents.**
- A New challenge is meeting Medicaid eligibility - When the current Administrator started at QR as the RSC she remembers it was almost a given that if a resident spent down their resources while living in the ALF, Medicaid eligibility seemed to be a given. Now spending down is no longer a guarantee for Medicaid. As of a couple of months ago, in our ALF, there were two residents living in the building that no longer had the funds to pay privately, but were not physically dependent enough to qualify for Medicaid. Fortunately our foundation has been able to cover the gap for these two reasons but this can't be a long term solution.
- Expanding the scope is a desirable option, however no additional funding is available for Medicaid Residents. Recently the facility expanded its scope of service to provide two person assistance with transfers. (Historically this has been a deciding factor requiring the resident, in need of this service, to move into a nursing facility). The financial impact will not being able to receive any additional Medicaid \$ for this service.

Memory Care

- **Medicaid rate-** \$4256 a month (\$570 room and board, \$3686 flat rate no levels of care. There is a wide spectrum of care for persons living in Lydia's House, but there are no distinctions on Medicaid for the additional care needed.).
- **Private pay rate-** \$7198-\$9882 (supplies and medications are in addition. 5 levels of care)
- **%of Medicaid- of the 26 current occupied spaces 9 or 34% are filled by Medicaid residents.**
- **Misc.-** once an application for Medicaid has been opened the required documents must be submitted within 45 days. If the application is complete within 45 days and the person meets eligibility requirements, the Medicaid rate is paid retro back to the initial date the application was made. If the required documents are not submitted within 45 days the process has to start over. This can result in an outstanding balance as the person applying for Medicaid does not have the funding needed to cover their bill. This can result in our community writing off thousands of dollars annually.

Thank you for your time this morning. Our challenges are great but Oregon has been a leader in Innovative solutions especially in the Senior Living Field. My hope is that decisions makers and providers can continue to partner together to come up with effective viable options.