

Testimony before the Ways & Means Subcommittee on Human Services

March 28, 2017

Jim Murray, CARE

Good morning. My name is Jim Murray. I am a retired CPA and the volunteer Treasurer for Tillamook's Community Action Resources Enterprises (CARE), a local non-profit social service organization whose programs include emergency assistance, homeless services, support for first time parents, and assisted living for seniors. I am speaking on behalf of CARE.

Tillamook CARE owns and operates two nonprofit Assisted Living Facilities, Kilchis House in Tillamook and Nehalem Bay House. We serve approximately 60 residents, the vast majority of whom are low income seniors receiving Medicaid. We have 34 FTE employees between the two communities.

These facilities are currently operating at break even provided we maintain close to full occupancy. That leaves very little, if any, funds for needed capital improvements or other expenditures. The recently approved increases to the minimum wage will make it impossible for us to continue operating these communities without substantial increases to the Medicaid reimbursement rates.

The wage increases alone represent a 3.5-5% increase each year in our annual costs. Other costs also rise with inflation such as food, utilities, etc. Current Oregon State budget proposals are for flat funding long term care Medicaid reimbursement rates.

You do not have to be a financial genius to see this is a formula that will soon result in closing these facilities, forcing low income residents to move out of their communities for services. Please increase the Medicaid reimbursements to cover higher costs such as food and utilities and in particular higher labor costs you enacted through the minimum wage law. We do not want our residents to be without any place to live in their communities and be without essential services.