



Oregon

Kate Brown, Governor

Medicaid Long-Term Care Quality And Reimbursement Advisory Council

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April 4, 2017

The Honorable Elizabeth Steiner Hayward, Co-Chair
The Honorable Dan Rayfield, Co-Chair
Joint Committee on Ways and Means Subcommittee on Human Services
900 Court St. NE
Salem, Oregon 97301

John Crawford
Roxanne Hazen
Mark Kinkade
Tanya McGee
Kelly Odegaard
Karen Olomua
Keith Putman
Fred Steele
Sherry Stock

Co-Chairs Senator Steiner Hayward, Representative Rayfield, and Members of the Committee:

Under ORS 410.555(4), the council is required to review the Governor's Recommended Budget (GRB) for the Department of Human Services. Our review of the GRB finds that the proposed Medicaid reimbursement rates fail to address the rising costs of long term care services, particularly in response to rising labor costs approved by the legislature and the state's safety initiatives for community based care.

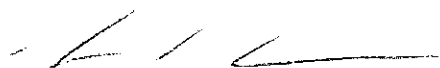
In addition to basic inflationary costs, the 2017-19 budget should reflect the list of new financial realities facing long-term care providers and residents, including substantial increases to wages approved by the state legislature, US Department of Labor overtime rules, and legislation to increase staff training and other regulatory requirements.

More than a decade has passed since provider rates for community based care have been evaluated to determine if they are keeping pace with the rising costs of providing quality care. There is a growing gap between the private pay rates and the Medicaid reimbursement rates. Medicaid reimbursement rates are nearly 50% lower than the average private pay rate. The recently approved minimum wage law, which increases the base wage in the Portland Metro area 60% over the next six years, is pushing the cost of long-term care higher; further widening the gap between private pay and Medicaid reimbursement rates.

If Medicaid reimbursement rates fail to keep pace with the rising cost of delivering care, access to long term care services and supports for low income Oregonians will be threatened and the quality of care that high Medicaid census providers can deliver will be compromised.

We are concerned by the failure of the Governor's Recommended Budget to propose responsible increases to Medicaid long term care reimbursement rates. We recommend that the Legislature maintain its commitment to caregivers and seniors by approving cost-of-living adjustments for community-based care providers.

Sincerely,



Mark A. Kinkade, Co-Chair



Sherry Stock, Co-Chair