

APD Budget Public Hearing
Ways and Means Subcommittee on Human Services
February 13, 2019

Co-Chair Beyer, Co-Chair Nosse and members of the committee, thank you for the opportunity to testify. I am Donna BreMiller, Interim Executive Director of Mennonite Village in Albany, Leading Age Oregon board member and member of the Association's Legislative Committee.

The Mennonite Village is the 2nd largest Continuing Care Retirement Community in Oregon. In 2017, we celebrated 70 years of service to the greater Albany vicinity. From its inception a core focus of the organization's mission has been to serve the underserved. At the close of 2018 we celebrated the completion of the first phase of the Nursing Home construction/ remodel project. This phase resulted in 42 private suites with private bathrooms/showers. The Nursing Facility, Assisted Living and Memory Care facility all have Medicaid contracts (there is only 1 other CCRC/Life Plan Community in Oregon with 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 and competition over staff recruitment over the next few years makes the financial picture potentially bleak.

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 private pay residents may continue to pay more to cover the gap. This spiral impact can result in private pay residents depleting their resources faster thus needing Medicaid support that is already spread thin.

I'd like to briefly highlight our challenges with the current Medicaid Reimbursement rate in the Community Based Care portion of campus which is both Assisted Living and Memory Care.

Assisted Living

- **Medicaid Rate-** \$1842 - \$3521 (5 levels)
- **Private Pay rate-** prior to moving in a financial screen is done to assure that residents are able to pay privately for 18 months. Currently residents pay \$3750 - \$6855 for a studio based on their level of care. The difference between a Medicaid payment and the highest level of care paid by a private pay resident is over \$3000 a month.
- **%Medicaid-Currently 21% of the residents in the ALF are on Medicaid.** 3-5 inquiries a week come from potential residents who are on Medicaid and are looking for a place to live.
- Expanding the scope is a desirable option, however no additional funding is available for Medicaid Residents. Expanding the scope of service translates to more cost for providers. Recently Dementia training for staff has increased as a result of dementia being more common in CBC.

Memory Care

1. **Medicaid rate-** \$4662 a month (\$599 room and board \$4063 service rate with no distinction for levels of care). There is a wide spectrum of care for persons living in Lydia's House, but there are no adjustments with Medicaid when additional care is needed. Residents moving into the Memory Care may come with complex medical needs as well as behavioral issues that often require frequent staff intervention for safety.
2. **Private pay rate-** \$7,625-\$10,431 (5 levels of care). The difference between the flat rate paid by Medicaid and the highest level of care paid by a private pay person is just shy of \$6000 a month.
3. **%of Medicaid-** Currently less than 20% of the residents are on Medicaid. In years past the Medicaid % was above 45%. When the percentage is this high the budget does not balance and the facility takes a loss.
4. **Services Added:**
 - A consulting Dietitian now comes to the building on a monthly basis.
 - Hospital Beds have started to be purchased. They can be raised or lowered making it safer for residents and staff involved with transfers. Each bed costs approximately \$4000 so the timeline for purchase has to be spread out over the course of several years.
 - The facility does require caregivers to obtain a CNA certificate within 1 year of their hire date. While it isn't a requirement of the state the skills learned in CNA program have proven to be valuable especially as the acuity of the residents increases. This certification averages around \$1000 per student and is paid for by the facility.

Nursing: The current Medicaid rate is \$9554 a month. This can result in a financial incentive for providers to not expand their scope so residents are required to move to a higher level of care. Based on the numbers I have shared the variance between Medicaid and Private Pay can be significant. If our business was only about the bottom line we would seriously consider the ability to sustain Medicaid into the future.

Thank you for your time this morning. As you work towards funding APD's budget, we ask that you will continue to support Medicaid increases for community based care. Our challenges are great, but Oregon has been a leader in Innovative solutions especially in the Senior Living Field.