



Tillamook County Board of Commissioners

201 Laurel Avenue, Tillamook, OR 97141

Phone: 503-842-3403

TTY Oregon Relay Service

Erin D. Skaar, Commissioner

March 18, 2021

Dear Senator Gelser and Committee Members,

I am writing to you today to express my concern over the impact that SB 714 will have for small, but crucial, assisted living communities in rural Oregon. As a County Commissioner, and the past Director of CARE, which owns and operates two of these communities, I fear that this bill will push them out of business. In the 1990s, CARE built two assisted living communities, Kilchis House & Nehalem Bay House, **at the urging of the State of Oregon** because of the critical unmet need in our community. Through these communities CARE provides 62 units relying on 92% Medicaid funding and operating at 82% occupancy currently. As you can see, CARE Assisted Living Facilities provide a quality, vital community service on a very thin margin, as only a non-profit can do.

While Senate Bill 714 is an admirable and worthy long-term goal, the time is not now for rural Oregon Assisted Living Facilities to be required to incur additional costs. My concerns are as follows:

1. Who will pay for these extra requirements?
 - a. The governor's proposed budget calls for flat funding of Medicaid reimbursement for assisted living facilities. This paired with raising the minimum wage makes it difficult to staff these facilities as it is. As you can see above, these communities predominantly serve Medicaid eligible residents, as they are who need this service in our communities. The financial impact of this bill will increase staffing costs to over 3x what these communities currently receive from Medicaid.
 - i. Caregiver Training costs today: \$ 23,868.48
 - ii. Proposed Training costs: **\$ 71,605.44**
 - iii. Caregiver gross wages today: \$177,840.00
 - iv. Proposed Caregiver gross wages: **\$533,520**
2. Why not wait for House Bill 3359, which was passed in 2017 to provide quality improvements in these types of communities, to be fully implemented and evaluated for effectiveness?
 - a. HB 3359 calls for an acuity tool to be used to assess staffing levels. This tool is still in a beta format, and due the pandemic has not been completed, and appropriately used and vetted. The previously approved House Bill requires multiple other items that must be tracked and reported, including falls, staff turn-over rates, and use of psychotropic medications, all of which are outcomes that can point to issues that may be solved by having additional staffing or simply operational changes. Let's get this fully implemented.

Senate Bill 714 is an admirable and worthy long-term goal, and this simply is not the right time. As written this bill will lead to Tillamook's small rural assisted living communities putting vulnerable seniors on the street and handing the building keys back to the State of Oregon.

Sincerely,

Erin D. Skaar, Commissioner