OAPA
Communication
Collaboration
Understanding

**OREGON ASSOCIATION OF PROVIDER AGENCIES**

Position Paper, Senate Bill 1548

February 1, 2022

On behalf of OAPA, we appreciate the opportunity to express our position regarding Senate Bill 1548. As a professional association of in-home agencies providing full-spectrum community-based services, our organization is primarily focused upon Section 2 of the proposed legislation. This section delineates the proposed requirements for reporting fiscal accountability data for provider agencies.

As a point of clarification, the agencies represented by OAPA reflect a more “traditional” agency model (those that recruit, train, provide full administrative support, and outcomes oversight) and are excluded from the provisions set out in Section 1, outlining the “Agency of Choice” model. Therefore, we will restrict our opinions to Section 2 exclusively.

While we support the concept of transparency in the use of Medicaid funding, we also have concerns that we hope may inform the process of developing this piece of legislation.

First, the scope of any required fiscal reporting should be limited to only public dollars. If a private organization has additional sources of income, outside of public funding, such as consulting services, administrative services, real estate holdings, capital investments, private grants, or tax credits, these should not be subject to reporting or public disclosure. We would encourage language (line 45) to ***limit the scope of all financial reporting to public dollars***.

Secondly, ***ODDS already has mechanisms in place to collect the financial data*** being required in this legislation. The Medicaid requirement for financial audits is currently being implemented and enforced by ODDS through OAR 411-323-0030. Moreover, this unfunded mandate already carries a significant financial burden to provider agencies, with annual costs ranging from $20k - $30k! This is especially a burden to new, smaller organizations, as the threshold for this audit was recently lowered by ODDS. This legislation would add greater weight to an already heavy lift for agencies under the current financial reporting processes.

Third, ***provider agencies are already required to complete the annual NCI Core Staff Stability Survey,*** which provides a comprehensive look at the DSP workforce, including their pay scales. Again, we question the need for this requirement outlined in this legislation, when this is an existing condition of operations by Medicaid.

OREGON ASSOCIATION OF PROVIDER AGENCIES

Of particular concern is the ambiguous language regarding the rate increase pass-through requirements (Section 2 (3)) to DSP's. While we support the positive intent of this statement, it does not reflect an understanding of employer-based costs around payroll-liabilities or position pay-ranges. Most notably, this language does not consider the fact that an increase in pay (ranges) for DSP's necessitates an increase in all pay ranges, including management/administrative employees. As currently stated, this bill does not display an understanding of both legal and defacto payroll equity issues in the workplace. ***We encourage specific language to speak to pass-through requirements being reflected not only in direct wages, but rather employee pay-ranges, direct benefits, indirect benefits, or other relevant payroll related costs.***

As noted previously, ODDS already has access to all of the financial information and staffing data through existing mechanisms. The underlying intent around fiscal reporting in this bill is based on a perceived spurious correlation from a bias created by a particular bad provider. The operational assumption is that there is a negative correlation between executive/administrative compensation and service outcomes. We would offer a differing perspective.

Turn-over in the last two years has reached unprecedented levels, to the point of being a named phenomenon: The Great Resignation. For many agencies, the executives, administrators, and managers fill multiple roles, including field work, during this time of crushing turn-over and sparse recruiting. These individuals have proven to be the stabilizing force for many agencies during these difficult times, allowing organizations to pass culture, quality, and policies through a rapidly changing workforce. ***An "objective" assessment of executive/administrative wages does not reflect the time, effort, and passion of these individuals and their effort to maintain an organization's stability.*** Their compensation should not be a value-judgment by the department, based on a specific bias.

To conclude, this legislation is redundant to existing requirements placed upon provider agencies, and will add additional burden and costs to an already challenging service environment. We anticipate that this will have a post hoc effect of actually reducing the number of provider agencies as a result; and thus, reducing individual's choice in services.

We appreciate the opportunity to provide our feedback and official position on Senate Bill 1548. We look forward to further collaboration in developing this legislation.

OAPA

Communication
Collaboration
Understanding

**OREGON ASSOCIATION OF PROVIDER AGENCIES**

Best Regards,

Tracy Young, President OAPA
Shannon McCurry, Legislative Chair OAPA