



Oregon

Tina Kotek, Governor

Department of Human Services

Office of Aging and People with Disabilities

500 Summer St NE, E-02

Salem, Oregon 97301



Date: January 25, 2023

TO: The Honorable Lisa Reynolds, Chair
House Committee on Early Childhood and Human Services

FROM: Jane-ellen Weidanz, Deputy Director of Policy
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SUBJECT: House Bill 2495

Chair Reynolds, Vice-Chairs Nguyen and Scharf, and members of the committee, I am Jane-ellen Weidanz, Deputy for Policy in the Office of Aging and People with Disabilities (APD), Oregon Department of Human Services. I am here to testify on House Bill 2495.

HB 2495 requires the department to create a new, acuity-based rate structure for Adult Foster Home (AFH) providers licensed by APD. These rates would take effect no later than January 1, 2024, and the department would report back to the interim committees to health no later than February 1, 2024, on the new rate methodologies. Until this new rate methodology takes effect, this bill would require the department to increase its base and add-on rates by 50 percent upon passage.

HB 2495 addresses a critical issue in the rate system for AFH providers. AFH rates were original structured in the 1980s, when the level of services for residents in these homes was much lower than the residents who are served today. The rates are structured with a base rate, with three “add-on” tiers to pay for the services for residents with higher needs. Additionally, residents with even greater needs may require exceptions, which are calculated in minutes and are currently \$17.77 per hour.

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The federal Centers for Medicare and Medicaid Services expects rate methodologies to meet the needs of 90% of consumers and to have exceptions for up to 10% of consumers. However, APD's rate methodology does not reach this target: currently, the percentage of those with exceptions in Oregon is over 50%.

APD has tried to address this issue through Specific Needs Contracts, which include contracts to AFHs that serve consumers with intense behavioral supports needs, bariatric care needs, hospice, dementia care, advanced ventilator care, and services for consumers experiencing traumatic brain injury. However, the capacity for this level of service is limited, and Specific Needs Contracts require additional staffing. Given these limits, exceptions become the other alternative used for AFHs serving residents with complex needs.

HB 2495 would create requirements to address this issue by requiring a development of new rates that better reflect the complex needs of consumers served in today's adult foster homes. The department takes no position on HB 2495, but the department can be a resource for this committee as it reviews this bill.

Thank you for this opportunity to testify on HB 2495, and I would be happy to answer any questions you may have.