



March 13, 2023

Senate Committee On Human Services
Oregon State Capitol
900 Court St. NE
Salem, OR 97301

Re: Oppose SB 602

LeadingAge Oregon is an association of nonprofit and mission driven organizations dedicated to advancing quality aging services. LeadingAge Oregon opposes Senate Bill ("SB") 602 imposing prevailing wage rates for long-term care employees.

SB 602 is a misguided attempt to increase wages of long-term care providers. All long-term care providers would like to increase wages for caregivers. In fact, even with financial limitations, providers have been increasing wages of employees across the board over the last several years. In addition, many providers have launched wellness initiatives and other efforts including professional coaching and English teaching programs to support employees' individual career goals. There is more work to do in supporting long-term care workers, such as extending and expanding enhanced wage add on programs. SB 602 is not the solution.

It is important to consider that financially long-term care providers are largely reliant on Medicare and Medicaid reimbursement rates that are frequently below the actual costs of care. The gap between cost of care and reimbursement rates are widening rapidly while current proposals include rate cuts. Additionally, this bill adds another regulatory body to a highly regulated sector that has been unable to recover operationally and financially since the onset of the pandemic. The passing of SB 602 would further exacerbate issues facing long-term care, particularly in Oregon's rural communities that typically serve a disproportionately higher Medicaid population.

Long-term care providers are already vulnerable, and SB 602 would increase operational costs without appropriate or adequate representation of employers; without any considerations of financial resources or feasibility; to an agency that doesn't oversee or regulate long-term care.

Respectfully submitted,

A handwritten signature in black ink that reads "Kristin Milligan".

Kristin Milligan
Chief Executive Officer
LeadingAge Oregon