



OREGON HEALTH
CARE ASSOCIATION

Oregon's Voice for Long Term Care & Senior Housing

March 13, 2023

The Honorable Sara Gelser Blouin
Chair, Senate Committee on Human Services
Oregon State Capitol
900 Court St. NE
Salem, OR 97301

Subject: Concerns with Senate Bill 602

Chair Gelser Blouin, Vice Chair Robinson, and Members of the Committee,

The Oregon Health Care Association (OHCA) represents long term care providers including licensed nursing facilities, assisted living, residential care, and memory care-endorsed facilities. We also represent licensed in-home care agencies. Combined our members provide long term care services and supports to more than 74,000 Oregonians every day.

OHCA opposes Senate Bill 602. It has both substantive and technical problems and has not received sufficient stakeholder collaboration given the magnitude of changes it proposes.

OHCA's opposition to this bill is not a reflection of our commitment to resolving long term care's workforce challenges. Caregivers are a vital component of Oregon's system, and the sector has made significant progress on improving wages in recent years. Data from a state-funded study completed by PSU's Institute on Aging show that the average wage for direct caregivers has increased 25% since 2020, now averaging \$17.40 per hour. CNA wages have experienced similar progress, increasing 30% since 2020 with an average hourly wage of \$20.70.¹

Additionally, providers have implemented programs to support employees, including tuition reimbursement and access to mental health resources. OHCA has championed legislation in the 2023 session to pilot a program that would provide childcare assistance for long term care workers and have jointly led efforts with SEIU to establish the Essential Worker Health Care Trust.

To be sure, there is more work to do to workforce recruitment and retention in long term care, but SB 602 as currently drafted is not the right approach to doing so.

First and most concerning is that SB 602 is an unfunded mandate. It requires the Labor Commissioner to set a prevailing wage, raising the cost of care with no connection to the constraints of Medicaid and Medicare reimbursement under which providers operate.

This is particularly problematic when the Medicaid rate already underfunds the cost of care and does not support the complex system Oregon has built. This problem is made more urgent since providers

¹ Portland State University Institute on Aging. "Oregon Assisted Living and Residential Care Wage & Cost Study Interim Report," January 2023.

face rate cuts in the next biennium as temporary add-ons sunset. Until we address this underlying issue, adding more costs and requirements will backfire.

OHCA supports an alternative and better approach to raising wages. This would be by continuing to fund the Enhanced Wage Add-On program, which was established in the 2021-23 biennium and provides a percentage enhancement to the reimbursement rate for providers who meet wage thresholds set by the state.

Outside of the financial implications, SB 602 presents other significant policy challenges. It requires the wage board established at BOLI to make recommendations related to other workplace and system standards that would likely be confusing and lack alignment with existing state and federal regulations. It is also duplicative since these recommendations would be disconnected from existing efforts and initiatives at the Oregon Department of Human Services.

We urge this committee not to move forward with SB 602 this session and instead work with all stakeholders on better approaches to supporting Oregon's long term care system and its workforce.

Sincerely,

Libby Batlan
Senior Vice President of Government Relations
Oregon Health Care Association