

Submitter: Geoff Bernhardt
On Behalf Of: Self
Committee: Senate Committee On Human Services
Measure, Appointment or Topic: SB1029

Dear Committee Members: I am an elder law attorney and have assisted senior citizens in Oregon with all of the legal challenges of aging for over 30 years, including Medicaid eligibility for long-term care assistance. I write in support of SB 1029.

Medicaid applicants have to spend down their personal resources to very low levels before qualifying for assistance. In the case of an unmarried applicant, they can only retain \$2,000 in liquid resources. Medicaid applicants are penalized if they give any of their assets away prior to applying for long-term care assistance. There is a narrow exception to this penalty called the "caregiver child exception."

The caregiver child exception allows a parent to give his or her home to a child who has moved into the parent's home and provided significant -- nursing home level -- care to the parent for two years preceding entry into a care facility. The purpose of this exception is to encourage adult children to provide long-term care for their parents, rather than having the parents go directly to a nursing facility. Since so much of the total long-term care bill in Oregon is paid by Medicaid, "caregiver children" save the state of Oregon significant funds by delaying by two years or more a parent's entry into long-term care at State expenses.

The caregiver child exception is very difficult to qualify for and most people don't even know about it. Consequently, we have adult children in Oregon who have fulfilled all of the requirements of a "caregiver child" transfer of the parents' home to the caregiver child, but who never complete the transfer of the home. They only learn about this exception after their parents have passed away and they are being told by the State of Oregon DHS Estate Administration Unit that they must sell the parent's home -- which the parent could have given them free of the state's claim -- and reimburse the state for Medicaid assistance provided.

SB 1029 would allow adult children who satisfied the two-years of care requirement to inherit the parent's home free of the state's claim for reimbursement for Medicaid assistance. These adult children could have received their parent's home during the parent's lifetime. They did not, because this exception is not well known and there are not enough attorneys practicing in the area of Medicaid and elder law to advise the thousands of senior citizens entering long-term care facilities each year.

it should be noted that the requirements to qualify as a caregiver child are stringent. It's not enough for the adult child to move in with the parents, do light housework and shopping for two years, and qualify for the caregiver child exception. The adult child

must provide a significant amount of "ADL" (activities of daily living) care, such as assistance with bathing, dressing, toileting, eating, mobility, and cognition. These services are expensive to provide in a care facility. By encouraging adult children to care for their parents, state resources are preserved.

I am happy to answer any questions from committee members regarding SB 1029 and the caregiver child transfer rules. I believe it is in the best interest of Oregonians to pass SB 1029.

Thank you,
Geoff Bernhardt
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