

SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

January 23, 2001
1:00 PM

Hearing Room 50
Tapes 8 - 10

MEMBERS PRESENT: Sen. Bill Fisher, Chair
Sen. Margaret Carter, Vice-Chair
Sen. Gary George
Sen. Ken Messerle
Sen. Frank Shields

MEMBER EXCUSED:

STAFF PRESENT: Rick Berkobien, Committee Administrator
Andrew Morris, Committee Assistant

MEASURE/ISSUES HEARD: Long Term Care Issues

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
TAPE 8, A		
(The committee met jointly with the House Health and Public Advocacy Committee)		
006	Chair Fisher	Calls the meeting to order at 1:11p.m.
<u>LONG TERM CARE ISSUES</u>		
018	Roger Auerbach	Administrator of the Senior and Disabled Services Division (SDSD). Details handout (EXHIBIT A).
041	Auerbach	Discusses SDSD programs: <ul style="list-style-type: none">▪ Long-term care▪ Eligibility▪ Licensing▪ Protective Services/Risk Intervention▪ Cash Assistance▪ Older American Act▪ Employment Initiative Mentions services that assist people with disabilities to enable them to work and keep their state benefits. Indicates that these services assist people with disabilities to achieve their maximum level of independence.
082	Auerbach	Explains that the most important focus of SDSD is that of the clients. Provides anecdote of elderly client. Advocates for the help of the client's family and loved ones.
114	Sen. Shields	Asks about the cost of a transfer from home to a health care facility.
117	Auerbach	Responds that the cost per month of housing an elderly person in a facility is around \$3,000. Provides anecdote of a disabled patient. Discusses importance of SDSD care in relation to this

		patient.
134	Rep. Morrisette	Asks for the estimated cost of the actual transfer of people from an in-home living situation to a health care facility.
143	Auerbach	Responds that the cost would be around \$3,000.
146	Rep. Morrisette	Requests more detailed information on each of the separate cases to be provided.
151	Auerbach	Responds that he will provide the information. Introduces anecdote of arthritic woman needing treatment. Mentions costs of SDSD's services per month. Discusses how clients enter the system and begin to require services. Continues testimony by detailing the breakdown of family support of their elderly relatives.
204	Auerbach	Points out another reason for seniors receiving services: <ul style="list-style-type: none"> ▪ Post hospitalization ▪ Breakdown of family support ▪ Depleted resources (spend down) ▪ Discovered through abuse investigation Maintains that seniors may be able to receive SDSD services and stay in their home at the same time. Refers to the remainder of the handout.
245	Sen. Shields	Asks for clarification of page 10 of the handout.
254	Auerbach	Responds to the question.
263	Sen. Shields	Asks that if in rural Oregon fewer people have access to SDSD's services.
274	Auerbach	Answers that SDSD provides people with access to their services throughout the state of Oregon. States that the percentage of people receiving the services is not an exact figure.
301	Dan Kaplan	Deputy Administrator, Senior and Disabled Services Division. Calls attention to page 12 of the handout. Discusses the rapid growth rate of the senior population as well as the rate of growth of disabled persons receiving Medicaid.
330	Sen. Messerle	Asks about the growth rate of the senior population and if it will reach a foreseeable plateau.
338	Kaplan	Answers that the population of elderly will continue to grow. Refers to page 13 of the handout. Notes that SDSD serves slightly more than 1 out of every 10 Oregonians over the age of 85. Details income levels throughout people's lives.
380	Kaplan	Makes note of graph on page 14 in handout. Remarks that community-based care facilities are more prevalent today than ever before which has caused a drop in numbers of those served through SDSD. Discusses those that are in need of the greatest amount of care; those termed most medically fragile. Provides that assisted living facilities are growing. Underlines the changing market which is reducing the demand for nursing homes.
TAPE 9, A		
027	Kaplan	Discusses changes in the market such as the building of more assisted living and residential care facilities that have had a destabilizing affect on SDSD. Points out information on the chart on page 15 of the handout. Discusses the decline in demand for those needing long-term care and says that 19 nursing facilities around the state have closed. Indicates that the reason for this

		occurrence is that there is a decline in demand because people have more options today than in the past. Points out that occupancy of nursing facility care has dropped from a relatively high number to one that is quite low.
069	Kaplan	Discusses facility level and says that many facilities have low occupancy rates which makes for low revenues and therefore there is not enough money to, much of the time, give the patients the care they need.
087	Rep. Monnes-Anderson	Asks what assisted living is in comparison to adult foster care/residential care and questions the numbers of people SDSO employs.
093	Kaplan	Responds that SDSO employs roughly 835 people. Comments that foster homes are the smallest facilities that serve the elderly and that when it comes to what residential care facilities look like, there is a great variety of models.
122	Sen. Messerle	Asks for clarification of page 13 of handout.
135	Kaplan	Responds.
140	Sen. Messerle	Asks for more information.
145	Kaplan	Discusses the way in which a program is run.
153	Sen. Carter	Asks about the probability of SDSO maintaining its services in lieu of budget cuts.
165	Auerbach	Responds by discussing service priority levels. Requests more time to specifically detail the repercussions of budget cuts.
177	Chair Fisher	Asks that Mr. Auerbach be available for questions after the committee meeting.
180	Sen. Carter	Wishes to spend more time on issues that impact seniors.
192	Chair Fisher	Agrees that these issues are important.
196	Meredith Cote	State Long-Term Care Ombudsman. Discusses mission statement of the Office of the Long-Term Care Ombudsman. Details work of the office: <ul style="list-style-type: none"> ▪ Enhance the quality of life ▪ Improve the level of care ▪ Protect individual rights Explains that the work is done by investigating and resolving residents' complaints and concerns in nursing facilities, assisted living facilities, residential care facilities, and adult foster homes. Provides that another mandate is for monitoring the long-term care system and to give input of the implementation of policy, rules and laws that affect long-term care facility residents. Mentions that 80% of the complaints taken by the office are resolved at the actual facility from which the complaint originated. Details the uniqueness of the program saying that it is the primary advocate for long-term care facility residents. Points out that it is the responsibility of the office to bring forward complaints and concerns from the residents to legislators and those who can most efficiently address the problem.
245	Cote	Stresses the importance of quality of care within the agency. Adds that the Office of the Long-Term Care Ombudsman advocates for seniors and those with disabilities. Submits written material (EXHIBIT B) and reports on issues discussed during the interim. Stresses seriousness of workforce issues. Indicates

		that the key component of quality long-term care is appropriately trained staff. Notes that a high turnover rate costs the agency a lot of money. Mentions that staff 'burnout' due to staffing shortages is a great problem that affects the workers' morale and causes a cycle of absenteeism which further exacerbates the staffing problem.
296	Cote	Alludes to objective data that details staffing shortages and needs of residents not being met at their long-term care sites.
313	Rep. Carter	Asks why facilities are shorted-staffed.
317	Cote	Responds that wages and benefits or lack thereof makes it difficult to recruit new staff. Details better working conditions for staff. Wishes to develop answers to these problems in relation to the future demands of an aging population.
360	Cote	Asks members to consider what the role of nursing home care is in the system. Discusses the fact that people are being taken out of nursing homes and put into community-based care facilities. Details the financial collapse of many nursing homes around the state and wonders about the capacity of community-based care facilities. Believes that nursing home care has a legitimate role in Oregon but that the issue will be discussed as a public policy.
TAPE 8, B		
005	Cote	Questions the role of the state in addressing declining occupancy issues in regards to the quality of long-term care. Informs committee of issues to be aware of and says that it is important to address monitoring of facilities that are in a licensing capacity. Believes that long-range planning in long-term care must examine the role of public and private sector in making sound policy decisions and financing the delivery of services.
060	David Fuks	Executive Officer, Cedar Sinai Park. Offers an anecdote from his family. Discusses the history of Cedar Sinai Park. Details policy surrounding the long-term care plan. Makes note that the plan in the 1980s was to diversify the system for the elderly by providing them with more long-term care options. Believes that long-term care today is at the cusp of change and that now is the time for planning.
102	Fuks	Discusses the long-term care environment that he says is changing rapidly. Explains that there is a growing population of elderly over the age of 85. Brings to light the medical hardships of the elderly and the necessity for nursing home care at some point in their lives. Establishes that those that are most medically fragile are the people in nursing homes because the elderly that can care for themselves to a degree choose to go elsewhere. Details crisis stabilization care in nursing homes. Makes distinction that nursing home care is usually that of end of life care. Provides that if nursing homes are doing a good job, they care for the families of the dying as well as the dying themselves.
167	Fuks	Discusses the lack of resources among the elderly in nursing homes. Notes that a higher number of elderly these days need Medicaid than in past years.
208	Fuks	Details the loss of a million and a half dollars this last year at Cedar Sinai Park. Talks about the shrinking workforce in nursing homes. States that the challenge of long-term care providers is to increase staff wages by 10-15% in order to keep from losing employees.

246	Fuks	Expresses concern for the health care system in Oregon that is a managed-system and not a free-market one. Concludes by saying that rural communities need more support in keeping their long-term care providers afloat. Comments on the necessity of managing and maintaining a high quality of care.
288	Phillip Fogg	President, Marquis Health Care. Expresses pride for his job as a health care administrator. Discusses the position of Marquis Health Care in Oregon as that of managing skilled-nursing facilities and assisted-living facilities as well as providing private home care services. Details background information from last year. Maintains that long-term care is not a normal free-market business. Explains that providers of long-term care do not have the luxury of raising rates for services or stopping the provision of services. Believes that providers are in a precarious situation today.
343	Fogg	Reiterates the problems of long-term care facilities: <ul style="list-style-type: none"> ▪ Inflated costs of workforce ▪ Poor quality and quantity of staff equals poor quality of service ▪ Loss of revenue due to loss of residents ▪ 20-40% increase in health insurance premiums ▪ Declining occupancy drives up fixed costs
386	Fogg	Makes it clear that there is no money, credit options, or equity left to fund these facilities.
424	Fogg	Maintains that long-term care will no longer be available if the urgency of the issues providers face are not addressed immediately.
TAPE 9, B 020	Fogg	Questions good policy and stresses the need for providing good service to seniors. States that he strives to assure the quality of services of care by allowing seniors choice in where they prefer to live. Praises system in Oregon in comparison to other states. Concludes testimony by saying that sound continuity of policy during the legislative session is important in regards to long-term care. Mentions a bill that is being drafted to address these issues.
051	Rep. Morrisette	Asks why Mr. Fogg acquired a new facility in Springfield in light of the budget cuts.
058	Fogg	Responds that the acquisition happened two years prior to the cost inflation difficulties he is dealing with today.
066	Rep. Krummel	Asks about the impact of reducing the regulations long-term care providers face.
070	Fogg	Responds that the federal government creates mandates for nursing home care facilities and that SDSO provides rules to match in order to receive federal funds. Indicates that some reduction of regulations would lower costs only slightly because 70% of costs are labor-related costs.
075	Chair Fisher	Comments that the process of converting nursing home facilities into another business is difficult because these facilities are designed to house long-term business. Explains that nursing homes can't compete with community-based care facilities that are springing up all over the state.
113	Fuks	Adds that needier and more fragile populations in nursing homes

		require routine upgrades of the facilities.
130	Jim Carlson	Executive Director, Oregon Health Care Association. Refers to handout (EXHIBIT C) in addressing the costs of loss of patients in nursing facilities, facility closures throughout the state and the shifting trends in the long-term care market.
177	Carlson	Submits written testimony (EXHIBIT D) and points out chart in reference to Oregon's Medicaid payment rates, which are not as high as those of other western states. Indicates that although more people are admitted to nursing homes than ever before, their stay is generally a lot shorter than in the past. Outlines legislation to be brought forward this session that identifies long-term care needs as well as the market's capacity for the needs in the future and creates a task force to respond to these issues. Remarks that Oregon will need to prepare itself for an elderly population to double in the next 20 years.
223	Carlson	Continues discussion of legislation that will be introduced to the committee. Asks for active state involvement in the process of bettering the long-term care system. Details goals and objectives of this upcoming legislation (LC 2285).
269	Carlson	Expresses hope to replace old and outdated nursing-care facilities with amenities that are necessary for an older population.
296	Rep. Krummel	Asks how much money would be lost to fund these facilities with federal and matching state dollars in consideration of the Governor's proposed budget.
312	Carlson	Responds that 50 million federal dollars would be lost to support long-term care services because of the Governor's proposed budget.
321	Chris Otis	Executive Director, Oregon Alliance of Senior and Health Services. Supports the draft legislation and urges the support of the committee in the future.
336	Chair Fisher	Praises SDSD's efforts and those of relating departments. Points out that nursing home facilities were built to fill a need but that the need was suddenly taken away. Expresses his intent to hear the draft legislation.
380	Rep. Kruse	Stresses the importance of working together with the Senate Health and Human Services committee.
404	Rep. Garrard	Asks Mr. Carlson how much impact project independence has had on the discharge destination data.
TAPE 10, A		
003	Carlson	Responds by discussing in-home health services that help people transition back into their own homes.
011	Rep. Barnhart	Asks how much money the state matches to federal allotted funds.
014	Carlson	Responds that it is a \$15.1 million general fund item, and \$37.8 million in total funds.
034	Rep. Kruse	Discusses the Governor's call for the convening of a workgroup to discuss parity in mental health and notes that the loss of funds never was mentioned during this workgroup session. Wishes to commit to finding funding elsewhere for long-term care programs in light of the Governor's proposed budget.
052	Rep. Krummel	Asks how much the state expects a family to cover of their relatives' long-term care costs.
064	Carlson	Responds that residents in long-term care that receive Medicaid

		assistance are required to contribute everything but \$5000 of their income and assets. Adds that federal law does not allow for family 'supplementation' and on the federal level, the family cannot assist with the cost of care.
077	Rep. Krummel	Asks if Medicaid supplements a resident's income and asset contribution.
088	Carlson	Remarks that the state contributes what individual cannot.
094	Rep. Monnes-Anderson	Wishes to know more about Medicaid reimbursement and the monetary allotment discrepancy between states.
103	Chair KruseFisher	Adjourns the meeting at 3:07 p.m.

Submitted By,

Reviewed By,

Andrew Morris,
Committee Assistant

Rick Berkobien,
Committee Administrator

EXHIBIT SUMMARY

A – Long Term Care Issues, written material, Roger Auerbach, 16 pp.

B – Long Term Care Issues, written material, Meredith Cote, 24 pp.

C – Long Term Care Issues, written material, Jim Carlson, 2pp.

D – Long Term Care Issues, written testimony, Jim Carlson, 10 pp.