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SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

March 18, 1997 Hearing Room B

3:00 P.M. Tapes 37 - 38

MEMBERS PRESENT:

Sen. Bill Fisher, Chair

Sen. Lenn Hannon

Sen. Marylin Shannon

Sen. Susan Castillo

Sen. Thomas Wilde

MEMBER EXCUSED: Sen. Jeannette Hamby, Vice-Chair

STAFF PRESENT:

Anne E. Tweedt, Administrator

Sandy Thiele-Cirka, Administrative Support

MEASURES/ISSUES HEARD:

SB 490 Public Hearing and Work Session

SB 189 Public Hearing

SB 190 Public Hearing

SB 404 Work Session

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.

Tape/#	Speaker	Comments
TAPE 37, A		
003	Chair Fisher	Calls meeting to order at 3:05pm, opens public hearing SB 490.
<u>SB 490 PUBLIC HEARING</u>		
005	Stephan Kafoury	Oregon Acupuncture Association, provides testimony in support of SB 490.
008	Chair Fisher	Closes public hearing on SB 490.
<u>SB 490 WORK SESSION</u>		
010	Chair Fisher	Opens work session on SB 490.
011	Sen. Hannon	MOTION: Moves SB 490 to the floor with a DO PASS recommendation.
016		VOTE: 5-0 EXCUSED: 1 - Hamby
	Chair Fisher	Hearing no objection, declares the motion CARRIED. SEN. WILDE will lead discussion on the floor.
023	Chair Fisher	Closes work session on SB 490.
<u>SB 189 and SB 190 PUBLIC HEARING</u>		
026	Chair Fisher	Opens public hearing on SB 189 and SB 190.
037	Susan Dietsche	Assistant Administrator, Policy and Program Development, Senior and Disabled Services Division. Summarizes and provides testimony in support of SB 189 (EXHIBIT A).
085	Dietsche	Continues with bill summary and clarification.
117	Pat Brown	Executive Director of Holladay Park Plaza, provides testimony in support of SB 189 (EXHIBIT B).
		Member of the Governor's Commission on Senior Services, and member of Continuing Care Retirement Community (CCRC)

136	Ralph Willits	Advisory Council. Provides testimony in support of SB 189 and SB 190 (EXHIBIT C).
180	Willits	Continues testimony and proposes an amendment to SB 189 (EXHIBIT D).
226	Vice-chair. Hamby	Questions if SB 189 has a subsequent referral to Ways and Means?
231	Anne Tweedt	Policy analyst, responds no.
234	Vice-chair Hamby	Questions when the application for registration fee was established and why is the increase needed?
239	Dietsche	Responds that the original fee was determined in the 1989 bill. The intent of the fee is to pay for the administrative cost attached to the registration process. The increase, \$500 to \$750, will not cover the entire cost of registration, but it will help.
250	Vice-chair Hamby	Questions the subsequent annual fee increase.
253	Dietsche	Responds that it will increase, \$250 to \$500. Notes that it is the division's responsibility to review and audit the CCRC reserve fund, the fees are used to cover these expenses.
261	Vice-chair Hamby	Questions if the division is comfortable with these costs?
263	Dietsche	Responds that the cost of processing is higher, and the fees help to offset some of the expenses.
266	Sen. Hannon	Questions if the department's budget is attached to the fee increase?
268	Dietsche	Responds no. The increase will go into the General Fund, and offset the registration expense. Notes an error in SB 189, proposes an amendment to correct this error.
292	Sen. Hannon	Questions the association's position on Mr. Willit's amendment?
294	Brown	Responds that they have not had an opportunity to review it.
305	Sen. Wilde	Notes that access to the residence meetings are difficult. Questions if an amendment proposing that a personal representative be present at the council meetings would be acceptable to all parties?
321	Dietsche	Responds that these are public meetings.
325	Sen. Wilde	Comments that membership meetings are not open to the public.
330	Brown	Responds in agreement. Notes that resident and general meetings are public.
337	Sen. Wilde	Questions how complaints with management are handled?
339	Brown	Responds that this situation would be handled in a private setting, not a public meeting.

342	Sen. Wilde	Notes that SB 189 does not address the 'access' issue.
357	Chair Fisher	Questions the amendment language.
371	Brown	Responds that most facilities have resident associations that have elected representatives.
378	Chair Fisher	Comments on SB 189 language.
408	Willits	Notes that this language applies to specific committees within the facility association.
TAPE 38, A		
007	Sen. Hannon	Questions why this issue needs to be addressed in statute?
008	Willits	Responds that the contract does not assure them of consumer protection rights.
016	Chair Fisher	Announces that the committee will recess at 4:00pm for 15 minutes. Questions bill language, the decision to borrow against the reserve funds would be SDS's, does that cause problems for the providers?
036	Dietsche	Responds that currently SDS is limited in what the reserves are, the new language allows some flexibility to what qualifies as a reserve.
044	Willits	Comments that the intent of the advisory council is to allow the division to establish rules that would detail the borrowing policy that would be applied to all facilities in the system.
051	Brown	Responds to ORS 101, the new language would allow a retirement facility to continue operation while the reserve requirement plan was pending with SDS. Comments that this also would allow SDS to approve the facility borrowing against the reserve fund.
064	Chair Fisher	Questions if this fund allows for building maintenance and repairs?
068	Dietsche	Responds that the language allows flexibility if the reserve fund requirements are not in compliance. Notes that any rules that SDS draft, have to be approved by the Advisory Council.
086	Chair Fisher	Questions if section 8 of the bill is the only place addressing the reserve funds?
089	Dietsche	Responds that this bill amends original language regarding entrance fees, reserve funds, and information disclosure.
097	Chair Fisher	Questions if current statute allows for the reserve fund to be used for improvements or repairs?
102	Dietsche	Responds no.
103	Chair Fisher	Questions if the reserve funds are not used for these types of projects, how are they depleted?
		Responds that some facilities operate very close to their reserve fund

108	Brown	amount, if a project should take them below the reserve fund requirement, the facility is in violation of the statute. Notes that because of this situation, the facility would not be able to complete the project. The language change would allow facilities to drop below the reserve fund amount, with approval of SDSD.
129	Pam Ruona	Program Coordinator, Senior and Disabled Services Division, provides information regarding current statute and the procedure for reserve fund operations.
170	Chair Fisher	Questions if prior to 1989, the facilities could use the down payment in any fashion?
198	Ruona	Responds that facilities were not required to maintain a reserve.
203	Brown	Comments that the reserve funds are a safety net or savings account for the facilities.
212	Chair Fisher	Comments on the original reserve fund intentions.
219	Brown	Continues explanation, definition of reserve funds, and adequate reserves.
237	Chair Fisher	Questions what the reserve funds are designed for? Notes the difficulties of limited access to the funds should a catastrophic emergency arise for the facility.
266	Brown	Responds that should borrowing against the reserve funds be necessary, that SDSD would approve and support a reasonable repayment plan.
281	Harry Heidenreich	Jackson County, provides testimony in support of SB 189 and the proposed -1 amendment. Notes that senior residents of CCRC's need protection.
308	Mel Miles	Provides testimony in support of SB 190.
426	Sen. Hannon	Questions what requirement gives residents a preferred creditor status?
TAPE 37, B		
003	Miles	Responds that perfected claims have priority. If the financial institution is holding a security for a loan to the resident, on unsecured claims the resident would take first position upon liquidation.
006	Sen. Hannon	Questions the resident's current status?
007	Miles	Responds that they are unsecured.
009	Sen. Hannon	Questions why this legislation is needed in Oregon?
015	Miles	Responds that new types of retirement communities are being developed in Oregon. Some appear to be structured like CCRC's, however they are different. This measure would provide protection for a prospective resident.
028	Chair Fisher	Recess called at 4:02pm.

032	Chair Fisher	Reconvenes at 4:59pm.
040	Dietsche	Provides testimony in support of SB 190 (EXHIBIT E).
072	Valerie Vollmar	Estate planning attorney, provides testimony in support of SB 190. Notes that some residents are paying very high entrance fees to a non-CCRC retirement community, currently these individuals do not have consumer protection that CCRC's have.
128	Vollmar	Continues with major points of SB 190: * requires registration by entrance fee retirement communities. * disclosure statements be made available to residents and prospective residents. * entrance fee retirement communities would have to state that they are not CCRC's. * resident rights be provided.
147	Chair Fisher	Questions proliferation, how many are in the state.
144	Vollmar	Responds that that information is not available.
158	Patricia M. Loughran	Member of Continuing Care Retirement Community Advisory Council, provides testimony in support of SB 190 (EXHIBIT F).
199	Sylvia Cleaver	Rental provider for seniors, Lake Oswego, comments on difficulties of CCRC regulations, and provides testimony in support of SB 189. Notes concerns regarding SB 190: * values consumer protection, however being a smaller provider the licensing procedure is a burden and SDSD does not need to be involved
242	Chair Fisher	Questions who would be responsible for oversight?
244	Cleaver	Responds that if a law is broken, punishment would be administered through the judicial system. Notes that if a resident has a complaint it should be filed with the police.
252	Sen. Wilde	Comments that this type of complaint is civil, not criminal.
259	Cleaver	Responds that this is an opportunity for government to reduce bureaucracy.
265	Sen. Wilde	Comments that current law requires licensing and oversight for all health care areas.
271	Cleaver	Responds that their facility does not provide health care.
275	Sen. Wilde	Notes the difficulties surrounding a small facility, however governing statutes requires inclusive oversight.
		Responds that they rent apartments to seniors with some hospitality

288	Cleaver	services.
297	Sen. Wilde	Questions if their residents receive state or federal moneys?
300	Cleaver	Responds that they receive social security.
314	Chair Fisher	Comments on Sen. Wilde's concerns.
325	Cleaver	Notes that they do not discriminate against potential tenants.
330	Sen. Wilde	Questions if the rental is available to anyone of any age?
332	Cleaver	Responds no.
333	Chair Fisher	Comments that some agency or department has to be responsible for the oversight.
367	Chair Fisher	Adjourns for recess, 5:20pm.
372	Chair Fisher	Reconvenes 5:24pm.
SB 404 WORK SESSION		
377	Dave Barrows	Summarizes the -2, -3 amendments and provides testimony in support of these amendments.
414	Sen. Hamby	MOTION: Moves to ADOPT SB 404-2 amendments dated 3/18/97.
420	Chair Fisher	Hearing no objection, declares the motion CARRIED.
422	Sen. Hamby	MOTION: Moves to ADOPT SB 404-3 amendments dated 3/18/97.
TAPE 38, B		
003	Chair Fisher	Hearing no objection, declares the motion CARRIED.
005	Sen. Hamby	MOTION: Moves SB 404 to the floor with a DO PASS AS AMENDED recommendation.
009		VOTE: 4-0 EXCUSED: 2 - Hannon, Castillo
	Chair Fisher	Hearing no objection, declares the motion CARRIED. SEN. CASTILLO will lead discussion on the floor.
016	Chair Fisher	Closes work session on SB 404, adjourns the meeting at 5:28pm.

Submitted By, Reviewed By,

**Sandy Thiele-Cirka, Anne E. Tweedt,
Administrative Support Administrator**

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EXHIBIT SUMMARY

A - SB 189, Senior and Disabled Services Division, Susan Dietsche, 3pp

B - SB 189, Holladay Park Plaza, Pat Brown, 1pp

C - SB 189, Governor's Commission on Senior Services, Ralph Willits, 1pp

D - SB 189, Written testimony, Ralph Willits, 6pp

E - SB 190, Senior and Disabled Services Division, Susan Dietsche, 3pp

F - SB 190, Written testimony, Patricia M. Loughran, 1pp
