

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

HOUSE COMMITTEE ON HUMAN RESOURCES

February 20, 1991Hearing Room D 1:00 p.m.Tapes 44 - 47

MEMBERS PRESENT:Rep. Mary Alice Ford, Chair Rep. Beverly Stein, Vice-Chair (arrived 1:12 p.m.) Rep. Jerry Barnes Rep. Cedric Hayden (arrived 1:30 p.m.) Rep. John Meek Rep. Hedy Rijken (arrived 1:15 p.m.) Rep. Jackie Taylor

STAFF PRESENT: Melanie Zermer, Committee Administrator Pamela Berger, Committee Assistant

MEASURES CONSIDERED: HB 2579 - Permits SDSD to recover costs under Oregon Project Independence - Public Hearing Senior & Disabled Services Division Budget - Informational

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TAPE 44, SIDE A

010 CHAIR FORD: Calls the meeting to order at 1:02 p.m.

PUBLIC HEARING HB 2579 - Permits SDSD to recover costs under Oregon Project Independence (OPI) Witnesses: Susan Dieche, Senior and Disabled Services Division (SDSD) Walter Bradford, Senior and Disabled Services Division (SDSD) Howard Wilson, A.I.U. Retirees

Staff submits a SMS on HB 2579 (EXHIBIT A).

015 SUSAN DIECHE, SENIOR AND DISABLED SERVICES DIVISION (SDSD): Introduces Walter Bradford, Manager, Estate Administration, SDSD. - Submits and reads written testimony (EXHIBIT B).

042 WALTER BRADFORD, SENIOR AND DISABLED SERVICES DIVISION (SDSD): Explains program under current statute.

REPRESENTATIVE MEEK: Are there any limitations?

BRADFORD: Only property of deceased with no survivors.

074 HOWARD WILSON, A.I.U. RETIREES: Submits and reads written testimony on HB 257 9, and a resolution (EXHIBIT D).

100 MELANIE ZERMER: Do we need Section 3?

DIECHE: Some Oregon Project Independence (OPI) clients are Medicaid clients (OPI is 100% state funded). There would also be an estate claim on the Medicaid portion. Will review that section to see why it is there or we can check with drafter.

CHAIR FORD: Do federal funds to be recovered take precedence over OPI funds?

BRADFORD: We feel that Section 3 should be deleted.

130 REPRESENTATIVE MEEK: Who will determine recovery percentage if there are no dependents? Will there be a listing?

DIECHE: The concept of recovery (same language as from the Title XIX Medicaid clause) is that when you receive assistance from the government, it is, in a sense, borrowing for your estate. The State of Oregon is a couple of notches down the line from other creditors. We keep track of all money spent for all services (i.e. public assistance, medical assistance, Oregon Project Independence services). The estate identifies assets. As a creditor, we can as the state and as OPI can collect against that estate for any money we paid in for Title XIX. We have the authority of not making an undue hardship on the client. It does not make any sense to take from the estate if there is a dependent child or spouse who may need to become dependent on our services. If there is an estate, the concept of a loan is forgiven.

174 REPRESENTATIVE MEEK: This really is an Oregon loan assistance program. I have some resistance on this bill because of that. To give persons the freedom to utilize the program for independence knowing they will need to pay back for those services does not really give them independence.

CHAIR FORD: Independence does not mean fiscal independence, it means the quality of living.

DIECHE: This issue has been struggled with in the past. Individuals have chosen OPI for the reason there would not be a lien against their estate. - This is the first time we have had a financial situation that we needed to look for additional funds.

225 CHAIR FORD: Would this be a way to litigate cuts for those not able to get services?

DIECHE: It may, especially in the long run. - We don't expect much recovery in the first biennium.

222 CHAIR FORD: Will additional staff be needed to assist in the recovery of funds?

BRADFORD: No additional staff is anticipated. - Records of payment will be maintained in local county offices. - Upon the death of an individual, those records would be forwarded to us and computed by our

existing staff.

Discussion on estimated costs for implementing cost recovery.

255 CHAIR FORD: What if the deceased has a property tax referral?

BRADFORD: That would take priority.

263 REPRESENTATIVE BARNES: Where do these funds go? - Would not want them to go back in the general fund. - We may want to propose an amendment to direct that the funds go directly back to OPI.

DIECHE: We would not object to an amendment of that type. - Traditionally these funds go to general funds, would like them to stay in this program.

280 CHAIR FORD: Asks MELANIE ZERMER to draft language that would direct the money to go to OPI.

ZERMER: Where do the Medicaid funds go?

BRADFORD: Medicaid recovery funds go back into general and other funds after the federal share is paid.

INFORMATIONAL HEARING: Senior & Disabled Services Division Budget Witnesses: Doris Sanders, Long Term Care Advisory Committee Allyce Alexander, Long Term Care Advisory Committee Jim Smith, Long Term Care Advisory Committee Bob Van Houte, United Seniors Lee Hazlewood, Governor's Commission on Senior Services Jim Davis, United Seniors Dorothy Chamber, AARP Eugene Organ, Disabled Commission Tom Hyder, Washington County Susan Girard, Area Agency on Aging (AAA) Mary Jaeger, Oregon Health Care Association Dan Desler, Independent Residential Care Facilities Association David Beem, Citizen W.W. Hodawanic, Citizen

320 DORIS SANDER, LONG TERM CARE COMMISSION: Submits and reads written testimony on the proposed budget cuts of the Senior and Disabled Services Division, specifically the Ombudsman program (EXHIBIT E).

240 ALLYCE ALEXANDER, LONG TERM CARE COMMISSION: Submits and reads written testimony on the proposed budget cuts of the Senior and Disabled Services Division, specifically the Ombudsman program (EXHIBIT F). - Urges members to visit nursing homes and see what the residents needs are.

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027 JIM SMITH, LONG TERM CARE ADVISORY COMMITTEE: Submits and reads written testimony on the proposed budget cuts of the Senior and Disabled Services Division, specifically the Ombudsman program (EXHIBIT C).

100 SANDER: Reads resolutions (See: page 2, Exhibit E).

200 LEE HAZELWOOD, GOVERNOR'S COMMISSION ON SENIOR SERVICES: Submits and reads written testimony on the proposed budget cuts of the Senior and Disabled Services Division, specifically home and community based program (EXHIBIT G).

264 CHAIR FORD: Would like a list from the commission of the ten top priorities for senior issues.

HAZELWOOD: Will provide that information at a later date. - Health care for all will be one crucial priority. - Need expansion of current programs.

280 REPRESENTATIVE HAYDEN: Why was there increase in budget for seniors last biennium?

HAZELWOOD: There is an increase in the number of elderly clients; nursing home case load is constantly growing. Will provide additional information at a later date.

299 JIM DAVIS, UNITED SENIORS: Submits and reads written testimony on the proposed budget cuts of the Senior and Disabled Services Division, specifically mental health and community health care (EXHIBIT H). - There is a need for greater recognition for seniors' needs. - We are seeing more and more depression as well as other mental disorders as well as medication complications. - There is an inadequate number of mental health services for seniors. - Discusses the increasing amount of suicides among seniors. Many seniors have no where to turn with their problems. - Discusses pilot projects for mental health. - We are asking the funds be restored to the SDSA budget and some funds for needed geriatric mental health specialists.

TAPE 44, SIDE B

024 REPRESENTATIVE HAYDEN: Questions budget figures.

DAVIS: Responds to the staffing cuts at SDSA and service cuts. - SDSA will be severely impacted, if not crippled, by the proposed budget.

REPRESENTATIVE HAYDEN: I have information about increased staffing and funding for improvements for senior and disabled care.

DAVIS: We have a different perspective; would like to meet with you on this matter.

042 HAZELWOOD: The last current budget was inadequate. - SDSA had to go to E-Board three times to make up short falls in the 90-91 budget.

058 CECIL POSEY, CITIZEN: Testifies on the proposed budget cuts of the Senior and Disabled Services Division, specifically the coordination of services for seniors and the creating the Senior Services Division. - We are proud of our accomplishments, and want to maintain them. - Oregon's long term care program is known nationwide as being the best due to the active involvement of Oregon's seniors. - This budget will cast 1,800 people out to nursing homes. - The Area Agency on Aging (AAA) are composed of councils of seniors. - Submits and reads written testimony (EXHIBIT I).

154 BOB VAN HOUTE, UNITED SENIORS: Testifies on the proposed budget cuts of the Senior and Disabled Services Division. - Many states have asked us how we have put together SDSA wanting to use it as a model, and now we are looking at cutting programs we have worked so hard for. - Oregon has the most effective and efficient residential care program in the nation. - We have had consistent strong legislative support for the

seniors. - Suggests an inheritance tax for estates over \$600,000 to restore the nursing home ombudsman and programs for the physically and mentally handicapped. - Discusses the high number of seniors with mental problems. - Urges members to find a way to re-store funding for seniors' programs. 265 - There is no bill number yet for the 12% inheritance tax proposal (LC 298 2). - The budget increase for SDSD is to comply with a number of federal regulations (i.e. hospital and nursing home training). - When disabled clients were transferred from the Mental Health Division to the Senior Services Division, only 1/2 of the biennium was budgeted. - The \$29 million proposal was in Governor Goldschmidt's budget, not Governor Robert's budget.

313 REPRESENTATIVE HAYDEN: You do receive federal leverage - - for every \$2 the state pays, \$3 is provided from the federal government.

VAN HOUTE: Considering that, we will be wiping out not only \$137 million out of SDSD, you are wiping out \$120 million of federal funds. The program is receiving a double whammy. - To delay is to destroy. 333 - Oregon has the lowest number of seniors in nursing homes than any other state.

CHAIR FORD: Recesses the meeting at 2:24 p.m. - Re-convenes the meeting at 2:33 p.m. - Announces that at 3:00 CHAIR FORD, REPRESENTATIVE STEIN, and MELANIE ZERMER will be going to the Special Committee on Children's Issues.

380 EUGENE ORGAN, OREGON DISABILITIES COMMISSION: One function of the Oregon Disabilities Commission, as of 1989, was to advise SDSD on disability issues. With the transfer of the adult disabled population to SDSD, the commission took on the responsibility of advising on these issues. This is unusual situation because there are programs for the disabled at AFS and SSD. We decided that the best services and case management were located at SSD and that all services should be located in one place. 198 9 SB 875 resulted the adult transfer occurred. - Now we are in the unfortunate position of being in SDSD while major budget cuts are proposed. - Echoes concerns earlier heard today. - There are programs that will be cut that will dramatically impact the lives of people with disabilities. - Especially concerned about cuts in the medically needy program and the reduction in programs for nursing home and in-home care. - people will be without services due to the cuts for the medically needy program; some will not survive without needed medical care. They will not be eligible for any program. - The programs which provide in-home care and nursing facility care for the disabled under 60 will being dramatically reduced.

TAPE 45, SIDE B

- Would like to further discuss needs of the disabled.

CHAIR FORD: We will set that up.

040 ORGAN: We are now, two years after the transfer, where we thought we could implement disability services advisory committees in communities, and other programs. - Funding will not exist under the proposed cuts. - There will be people released from other programs and the caseloads in SDSD will increase. - Displeased about the elimination of the mental health programs for seniors.

083 CHAIR FORD: If cuts are made in one area, clients may fall through the cracks or they may transfer to other agency - weighing heavy on that agency. - There has not been enough thought and discussion on that.

080 W.W. HODAWANIC, CITIZEN: Submits and reads written testimony on the proposed budget cuts of the Senior and Disabled Services Division, specifically handicapped access (EXHIBIT J). - Gives background of the creation of SDS. - Submits a letter to Hodowanic from The Oregon State police regarding handicapped access (EXHIBIT K). - Discusses savings by getting rid of facilities personnel in all departments except DHR. 307 - Discusses SSI files not being confidential.

347 DOROTHY CHAMBERS, AARP: Submits and reads written testimony on the proposed budget cuts of the Senior and Disabled Services Division, specifically long term care health services (EXHIBIT L).

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060 TOM HYDER, AREA AGENCY ON AGING (AAA): Submits and written testimony on the proposed budget cuts of the Senior and Disabled Services Division, specifically long term care and preventative care services, and OPI (EXHIBIT N).

190 REPRESENTATIVE BARNES: How often are the monthly limits increased?

HYDER: It is based on the federal SSI, receiving a cost of living increase adjustment every year. Right now, the State of Oregon is at 300% of SSI which equates to \$1,221.00 a month. The proposed budget lowers it to 208% which equates to \$850.00 a month. That scale also has an annual cost of living increase adjustment.

198 REPRESENTATIVE TAYLOR: Referring to page 3, Exhibit N, is it really the person's impairment level which will make the 85 year old Alzheimer patient not eligible for Medicaid?

HYDER: She will not be qualified because of her impairment level and because her income totals \$427 a month. However, her impairment level would not qualify her for the survivorability. She requires constant supervision. - The remaining clients to be served would be only those who could not survive without assistance from the state. All preventative levels of care will be limited. - The preventative nature of OPI will only be on a crisis intervention. 255 - Reads another example of a person who will be cut of services (See: page 4, Exhibit N).

- 5,400 individuals will be taken off of Medicaid services, especially those highly impaired with financial need, the only alternative is OPI. 1,600 people will be cut from OPI. Medicaid clients will be shifted to OPI. Therefore, individuals who would have previously qualified for OPI will no longer be accepted. 287 - Reads testimony regarding the medically needy (See: Page 5, Exhibit N). 311 - Reads testimony regarding the Ombudsman program (See: Page 5, Exhibit N). - The number of case managers will be cut, at a time when more alternative services will be needed. This is a time that more case management is needed. 338 - Reads testimony regarding other related impacts (See: page 5, Exhibit N). 360 - Reads and explains recommendation and conclusion (See: page 6, Exhibit N).

TAPE 47, SIDE A

020 REPRESENTATIVE MEEK: How do you feel about proposed budget increases for DEQ and LCDC?

HYDER: We feel that human services should be the number one priority of the state.

REPRESENTATIVE MEEK: Not sure if revenue enhancements will be seen until we resolve commitment issues.

050 SUSAN GIRARD, AREA AGENCY ON AGING (AAA): Submits and reads written testimony on the proposed budget cuts of the Senior and Disabled Services Division, specifically OPI and Medicaid client (EXHIBIT M).

150 REPRESENTATIVE BARNES: Discusses assumptions in the proposed budget. The public is confused about the budget cuts and Ballot Measure 5. The inheritance tax is the first suggestion for solving this issue. We need more ideas. Would like you to go back to your community to solicit solutions.

REPRESENTATIVE MEEK: We need to go into our revenues and prioritize. Are going to make people a priority of the state? The land isn't going to go away.

HYDER: Shares those feelings also. - We are in such shock over the reality of the proposed budget cuts. - We are trying to draw the line on whether we inform clients now that they may be cut of services or wait until it actually happens. - There is an initiative being circulated to "fix" Ballot Measure 5 to have it only deal with the property tax and school finance - not other limitations.

235 DAN DESLER, INDEPENDENT RESIDENTIAL CARE FACILITIES ASSOCIATION: Submits and reads written testimony on the proposed budget cuts of the Senior and Disabled Services Division, specifically the specialized living program (EXHIBIT O). - Discusses rate schedule and service rates (Exhibit O).

350 MARY JAEGER, OREGON HEALTH CARE ASSOCIATION: Submits and reads written testimony on the proposed budget cuts of the Senior and Disabled Services Division, specifically the impact on nursing homes (EXHIBIT P). - Submits and summarizes a report on the impact of the governor's proposed budget on Oregon's nursing home residents (EXHIBIT Q). - Shows pictures and tells of nursing home patient's restrictions who will be affected by the budget reduction cuts.

TAPE 46, SIDE B

- Urges members to keep Oregon's outstanding reputation.

050 DAVID BEEM, CITIZEN: Submits and reads written testimony on the proposed budget cuts of the Senior and Disabled Services Division, specifically the impact it will have on families, hospitals, group homes, transportation, and employment (EXHIBIT R).

095 ACTING CHAIR RIJKEN: Adjourns the meeting at 4:15 p.m.

Submitted by,

Reviewed by,

Pamela Berger

Melanie Zermer

EXHIBIT LOG: A - HB 2579 - SMS - Staff - 1 p. B - HB 2579 - Testimony - Dieche - 2 pp. C - Measure 5 - Testimony - Smith - 2 pp. D - HB 2579 - Resolution - Wilson - 2 pp. E - Measure 5 - Testimony - Sanders - 2 pp. F - Measure 5 - Testimony - Alexander - 2 pp. G - Measure 5 - Testimony - Hazelwood - 3 pp. H - Measure 5 - Testimony - Davis - 7 pp. I - Measure 5 - Testimony - Posey - 8 pp. J - Measure 5 - Testimony - Hodawanic - 3 pp. K - Measure 5 - Testimony - Hodawanic - 4 pp. L - Measure 5 - Testimony - Chambers - 3 pp. M - Measure 5 - Testimony - Girard - 3 pp. N - Measure 5 - Testimony - Hyder - 8 pp. O - Measure 5 - Testimony - Desler - 7 pp. P - Measure 5 - Testimony - Jaeger - 4 pp. Q - Measure 5 - Testimony - Jaeger - 11 pp. R - Measure 5 - Testimony - Beem - 1 p.