

Subjects Heard Senior Services

SENATE COMMITTEE ON HUMAN RESOURCES

Monday January 28, 1991 Hearing Room A 3 p.m. Tapes 10 -
12 MEMBERS PRESENT: Sen. Bill McCoy, Chair Sen. Cliff Trow,
Vice-Chair Sen. Shirley Gold Sen. Bill Kennemer Sen. Paul Phillips

VISITING MEMBERS: Rep. Mary Alice Ford, Chair, House Committee on
Human Resources Rep. Jerry Barnes, House Committee on Human Resources
Rep. John Meek, House Committee on Human Resources Rep. Hedy Rijken,
House Committee on Human Resources Rep. Beverly Stein, House Committee
on Human Resources Rep. Jackie Taylor, House Committee on Human
Resources STAFF PRESENT: Janice J. Fiegenger, Committee Administrator
Mike Meriwether, Research Assistant Michael Sims, Committee Assistant
Andra Woodrum, Page VISITING STAFF: Melanie Zermer, Administrator,
House Committee on Human Resources WITNESSES: Dick Ladd,
Administrator, Senior and Disabled Services Division Susan Dietsche,
Manager, Program Assistance Section, Senior and Disabled Services
Division Anita Leach, Assistant Administrator, Program Monitoring
Section, Senior and Disabled Services Division Bob Van Hout, United
Seniors Terry Rogers, United Seniors G.G. Goldthwaite, Governor's
Commssion on Senior Services Jim Davis, Oregon State Council of Senior
Citizens/Seniors James McConnell, Oregon Association of Area Agencies on
Aging Gloria Herschman, Home Health Association Mary Jaeger, Oregon
Health Care Association

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. TAPE 10, SIDE A 005 CHAIR
McCOY: Calls the meeting to order at 3:10 p.m.

009 REP. MARY ALICE FORD, CHAIR, HOUSE COMMITTEE ON HUMAN RESOURCES:
Introduces House committee members.

022 DICK LADD, ADMINISTRATOR, SENIOR AND DISABLED SERVICES DIVISION
(SDSD): Introduces Division staff. 043 SUSAN DIETSCHKE, MANAGER, PROGRAM
ASSISTANCE SECTION, SENIOR AND DISABLED SERVICES DIVISION (EXH1 BIT A):
Gives overview of Division programs and details Exhibit A.

245 SEN. GOLD: One service reduction would reduce the Alzheimer's
program for persons younger than 60. How many cases would that involve?
251 DIETSCHKE: I can check it for you. The reduction was based on trends
in the numbers of clients we're actually serving. We believe there was
an overestimation in the number of people younger than 60 who needed the
services we provide. In fact, the budget reduction keeps in line with
the number of clients we'd be able to serve.

259 SEN. GOLD: Regarding the item reduced Long-Term Care Ombudsman
Program - what does that mean? 262 DIETSCHKE: The Long-Term Care
Ombudsman Program is located in a separate office; a separate agency.
The budget for that agency is prepared by the Long-Term Care Ombudsman
office. The Division is a pass-through for that agency, and because we
are the agency receiving the Older Americans Act dollars (Federal) and
the Title XIX and state general-fund dollars, that program is like a
pass-through.

280 SEN. GOLD: Asks question regarding continuing level program
improvements and nursing home caseload growth reduction.

286 LADD: I will address those topics.

294 REP. FORD: Will you tell us what has happened with the problems the adult transfer?

299 LADD: Yes.

300 ANITA LEACH, ASSISTANT ADMINISTRATOR, PROGRAM MONITORING SECTION, SENIOR AND DISABLED SERVICES DIVISION (EXHIBIT A): Discusses the Division's field organization (Page 30, Exhibit A). 409 REP. FORD: In your staffing ratios on page 32, is that local-staffing ratio for direct service, for direct contact with cases?

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420 LEACH: In 3-A, the staffing ratios there are just for services. That's for the long-term care clients. In 3-B, case management, that reflects where we picked up the financial eligibility as well as the service, when case managers began doing both.

427 REP. FORD: Is that at the local level, or out of your state office?

428 LEACH: Locally. 429 REP. FORD: So if I could take all of the cases in my county, for example, and divide them by ratios of 1: 130 or 1: 100, I could see how many staff are doing exactly that job, right?

437 LEACH: I wouldn't guarantee they're doing exactly that job. That's what they're staffed to do. In our local delivery system, they're allowed leeway in terms of how they use that staff.

443 REP. FORD: But administrative staff is also included in this, so that maybe residential foster care, set's take a ratio of 1:79 for foster-care homes, it actually might be 1:150 because there must be clerical and administrative staff, in that mix also.

452 LEACH: This represents just the direct-service staff. Then on top of that, you add so many staff - we staff with one clerical per three case managers, for example - or one supervisor per 10 case managers.

460 REP. FORD: Then where's the leeway on how they use the staff?

461 LEACH: They may focus the staff in different areas. They may be focusing more time on foster-home recruitment, because that's a particular need for that period of time. Or, right now, we may be focusing more on relocation of nursing homes.

TAPE 11, SIDE A

012 SEN. TROW: On page 32, you come down to intermittent and it says community and it says 1:1,075. What does that mean? 015 LEACH: It's specialized services; working with landlords on housing, working to obtain specialized medical equipment if needed. So its just additional staffing to work on very specialized situations for each client.

022 SEN. TROW: Where does that staffing take place - locally, or at the state level? 024 LEACH: Locally. -Continues detailing Exhibit A.

077 REP. FORD: Many problems came because of inadequate funds to make

the transfer between came because of inadequate funds to make the transfer between services, is that correct? Is it correct that it was not anticipated when the legislation was passed? That there would be all of these problems in trying to put the two together? Senate Committee on Human Resources January 28, 1991 Page 4

084 LADD: I think you're right; I don't think we anticipated them. For one thing, we thought more of the area agencies would take both. It turned out that only Clatsop County did.

086 REP. FORD: Yes, I know. But that's because they found out that they wouldn't have the money to do it, and would have to cut back with what funding they had on the programs they were doing for the seniors.

088 LADD: I think that's generally true.

089 REP. FORD: What are we going to do about it this year? 090 LADD: Well, this is probably not the year to ask for money.

091 REP. FORD: Are we going to have some kind of proposal on it? 092 LADD: Yes. I've visited every DSO office or unit, except one in Roseburg and I go there tomorrow. The story, though, is similar everywhere: Some areas were able to deal with it a little better than others, but wherever you go the fact is we don't have enough staff to handle the existing caseloads. I don't think we had enough resources to begin with, but added on to that is when the programs began there were a lot of disabled people getting eligibility. As long as they were separated from the services, they always qualified for them but didn't ask for them. We've had a pretty good increase of people, in in-home services especially, who now are in this division where we've got not only the eligibility but also the service, who have asked for the services. So our disabled caseload has risen quite substantially - much more so than the elderly caseload - during the last six months. In the Governor's recommended budget, the first thing I did before making any reductions was add some staff to those Disabled Services units, to try and get us up to a particular area in which we could handle the workload right now. Of course, in the Governor's budget, we substantially cut cases and then we cut down again. But at least we start from an appropriate spot. 109 REP. FORD: We put the adult-transfer cases and the Medicare cases for people with disabilities into Senior Services for the simple reason that the disability community was not getting served, because of the complications of state government. So I understand Mr. Ladd's problem, but all of a sudden it's not a case of out of sight, out of mind. In one respect, it accomplished what we wanted - that community no longer is running around in circles and out of the system, when they deserve the programs, but it has put extra pressure on the agency.

120 LADD: That's true. In this biennium, we have a money problem; we're going to have a hard time making it through the biennium. As a matter of fact, last Monday I gave layoff notices to 23 of our 149 central-office employees, to try and get reductions in central-office expenses. I'm cutting back in staff and services and may have to make some program cuts. 125 REP. FORD: One thing we are learning from this experience is that we're starting to get a handle on what we've always called the unmet need in the neighborhoods. Senate Committee on Human Resources January 28, 1991- Page ~

130 REP. MEEK: During the last 6 years, on a percentage basis, the administrative cost for the department almost doubled. As a Legislature, where can we help separate the accountability aspect on service delivery

and we can come back to the public and say this is being done, compared to the red tape. Because when you see that much increase in administrative cost, a lot has to do with mandating that that stuff gets done, and we've got to be accountable to it. But a lot of it, the more that you do the more red tape you wind up with.

And that's been a trend I've seen in some of the other budgets as well, going from 11-12% administrative cost to just slightly 20%. That's not hands-on service, that's going in behind the doors and coming from that, that we're having to be accountable. And you're the person who can deliver those goods to us - where can we cut back on some administration?

148 LADD: If you divide our administration in 2 parts, you need to separate caseworkers and service workers, because those folks are hands-on. In most budgets, they're not called administration, they're called programs. But in our budget, we've historically put them in administration. If we divide that, and just take the central office, the administration that we have up there is less than 2 1/2%. That has not grown much in the last 10 years the Division has been in place. It's growing primarily because the adult transfer is a very large transfer and is the latest of three where we've got additional cases from other divisions and have had to have the workers come with them. For example, 275 to 280 folks were transferred from Adult and Family Services to Senior Services during the 1989-91 biennium. Only about 3 of those came to the central office; everybody else went to the field.

But I recognize your problem. It's something we've been working on for years, and even more so this last biennium, given the shakeup because the adult transfer kind of tossed the agency on its head. We have looked at every way we can to cut back on red tape. For example, last fall I called a group of people in from the field, people who have to fill out forms that are demanded by the central office. We had a task force which I chaired which was able to cut out about 1/3 of forms and set up a new review committee. Now, any time someone in the central office wants a form filled out from the field, the people who are going to fill out that form get to talk about it and discuss what it will take to fill it out. Then we make a decision about whether or not it's important to have that form filled out, to have those people in the field divert themselves from their hands-on client care to fill the form. And I've noticed we're not filling those out as quickly as we used to.

182 SEN. KENNEMER: The issue we had last session that was particularly tough was pre-admission screening. We came to a compromise of sorts on that issue. How is that going, and are you going to make any recommendations for changes?

189 DIETSCH: The final bill allowed the state agency to contract with private case-managers and community hospitals, if they didn't have an interested nursing home, to do that private preadmission screening. A committee worked on that during the last year and has established rules, forms and training. Only now are we beginning to certify hospitals and the private casemanagement agencies to perform that pre-admission screening.

The nursing homes are able to admit people without pre-admission screening until February without pre-admission screening until February 1. After that date, the program will be in place in which nursing facilities will admit people who have had the opportunity to have their pre-admission screening. There may be some suggestions Senate Committee

for remodeling the program once we have some experience with how it works; I haven't heard those yet but I expect they will be in the administrative-rules classification and not statutory

215 REP. FORD: What will you do with people who can't go into nursing homes, and you're cutting some 40 odd percent of the Oregon Project Independence program which helps to keep them out of nursing homes? Where are they going to go; what are you going to do with them?

222 LADD: It's not just OPI. The ugly part of this issue is that in order to keep up with Ballot Measure 5, we've had to make some substantial reductions in this division. We're pretty well decimating not just OPI but all the community programs. Then after we get done with that, these are the people we think may be able to survive - though there'd be a lot of pain and suffering without our services.

227 REP. FORD: And death.

228 LADD: ARer we get done with those cuts, though, we can go one deeper. We then say, OK, if your income is between \$800 and \$1,250, we're not going to serve you at all. So there's 1,875 people who meet that category who cannot survive without our help, who we're just going to walk away from.

234 REP. FORD: They're not going to walk away. They're going to be in their homes, and they're not going to get services, and they're going to get sicker. They may die; if they don't die they're going to go into the nursing homes. And that's going to raise your cost at the nursing-home level - if they don't die.

238 LADD: I'm convinced some people will die with this budget. And I'm convinced that after about 2 or 3 years, it's going to cost the state of Oregon more. One of the things we enjoy about Oregon and long-term care is that with the exception of one state (Nevada), we spend less per capita on long-term care than any of the United States. We take care of more of our citizens than any other state.

The reason is that we built this very large community-based care program. We spent about 68% of our budget on nursing homes; that's the lowest in the country. The average is 92-93%. These kind of cuts pretty well dictate that within 3 years, the nursing homes are going to be sucking up all of our money and we won't be able to afford nursing homes any more. We will indeed have a nursing-home, long-term care program and we'll all sit around and remember the days when we had OPI and foster homes and assisted living and those kinds of things.

257 SEN. TROW: Did we ever resolve the issue of whether Federal money would follow, and help to pay for, pre-admission screening

260 DIETSCH: Yes. The pre-admission screening is part of the Federal Pre-Admission Screening and Annual Resident Review Act, a requirement of the last Omnibus Reconciliation Act. We get Federal funds for private pre-admission screening; in fact, the hospitals pay an assessment if they want to participate.

Those dollars go into other funds, the dollars that get are matched with federal funds that support the whole program. Not only hospitals but anyone else that wants to participate pays a licensing Senate Committee

fee which produces sufficient other funds for the Federal match. Then we can purchase private pre-admission screening, both from the hospital and the other certified private preadmission screening agencies.

277 SEN. TROW: I'd like Mr. Ladd to give us his assessment of the Division's proposed budget - who is going to be hurt and what, if anything, we're trying to do at the agency level to minimize the hurt.

280 LADD: I made some philosophy decisions up front and then negotiated with Governor Roberts' transition team and the Executive Department. The Measure 5 things were so deep, we had to take cuts that were pretty horrendous, but then, everyone has to. But basically, I said that in an agency like this if you're going to make the kind of cuts we have to make - and our target figure is somewhere around \$27 million - you have to go beyond administration. And you have to either cut provider rates or cut clients.

Given that we've cut provider rates 4 times in the last 10 years; given that we're having a very difficult time right now recruiting and retaining providers (except for nursing homes), I'm convinced that had we cut provider rates in this budget, we'd be in worse shape because we'd have far fewer providers to provide the service. We're asking those providers to work for substantially less real dollars than they were 10 years ago.

Nursing homes, of course, are governed by Federal regulations and we can't do much about that. In fact, we settled a lawsuit with the Feds in November 1990. So in order to meet the targets, we had to go into services. First, Susan Dietsche's Program Assistance Section looked at all our caseload and asked who could survive without all those services, and who could not? We divided clients into those who could survive and who couldn't - which is not to say those who could survive wouldn't have pain and suffering - but the professional judgements were that those people could survive. So we cut those out, and still didn't meet the target. So, as I've explained, we went in and took a financial reduction so people who met the assets test but whose income was above \$850 no longer would get services. Now it's up to \$1,250; that's 1,875 people affected by that last cut.

Some fell into a safety net - I don't call it hat, but rather a misery reducer. People are still going to be in jeopardy, even with this thing built in. For every 100 folks we take out of service, we're adding one risk-intervention worker. That's a program we've had for 5-6 years in which case managers who manage cases not eligible for our program funds, then try to get families or friends or other organizations to provide service voluntarily. It's been one of our most successful programs. We've evaluated it twice and found that for every dollar we've put into it, we think we get about \$19 of value back. But I'm not sure how good that's going to be, with the size of reductions we're taking here.

With OPI, the waiver program in the nursing homes, we're cutting approximately 6,800 folks out of a 21,000-case load. Most will come out of home care - 43% in OPI, 44% in Medicaid waiver programs, will be cut from the home care side. The other services are getting less of a cut, around 15-20%. But it's going to be substantial, across the board.

Of course, all our programs for which we've worked so hard in the past, like mental-health programs, have been taken out of this budget. The

only other thing I added into it was a package we had negotiated early for inclusion in this budget, to improve the rates for attended care. We have a revolving-door situation out there with attendod care, used mostly by the disabled. I think that was so important, because we're losing those caregivers though the cut is substantially less than what I'd proposed - about 25% of it

357 SEN. TROW: Are you in communication with the local communities that are going to be affected by these cuts, so those communities know they will have people in need - people who used to be served and aren't going to be served?

362 LADD: Absolutely. I'm going to probably be spending the next couple of months in the field, talking about this with local groups who have invited me to discuss the budget. 366 SEN. TROW: As many people assess Measure 5, they don't believe that the cuts are real and that there are people who are going to be hurt. You're doing what you can to dispel that rumor?

371 LADD: When it comes to these services, absolutely.

373 SEN. FORD: I heard there were some cuts for caregivers for the disabled. Are there cuts and if so, where would they be?

376 LADD: There are no cuts for caregivers. 377 REP. FORD: Even family caregivers?

378 LADD: No. 380 SEN. KENNEMER: We had a briefing by the Mental Health and Developmental Disabilities Services Division Jan. 23. They talked about how mental health probably is the most devastated segment of the Department of Human Resources. And we've been increasing lobbied, substantially, about how needs for seniors and mental health are being acknowledged - during the 198 9 session in particular. What impact is that budget going to have on the requirements of your agency?

390 LADD: I'd agree with your assessment, that Mental Health probably is devastated the most, of all the divisions in the DHR. The mandates we have are built in, so if we have to take this level of reduction we can still maintain our Federal commitments and will not compromise on those. Legally and theoretically, we can make these reductions, without getting into trouble. But the mandate to serve Oregon's developmentally disabled needs to be changed; some of the substantive · Iegisladon passed during the past few years is going to need to be reviewed with this kind of atmosphere.

411 REP. BARNES: Assuming that this is the low we're going to in terms of state revenues, and hopefully down the line we'll be back to where we can serve the client, are you maintaining the flexibility to build back up in terms of qualified staff, facilities and so forth?

418 LADD: I think when we build back up, we're going to build back up a lot quicker than we're going to need to in this division, because this is an entitlement program (Medicaid). What it means is that if you meet the requirements, we can't say no to you. You must get that service,

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and we must pay our share - 38% of the total for nursing homes and the waiver programs. I think that we'll be building up a lot quicker than the revenues will, because I'm convinced those folks who aren't being

served now will wind up in nursing homes.

We know these programs work; we've had these community programs for 10 years. We know they delay institutionalization, or actually prevent it. If we're not serving those people, we're going to need a lot more nursing homes, combined with the fact that also in the Governor's budget is a provision getting rid of the Certificate of Need, which means that now we can have growth in nursing homes from 25% to 50%. I think that's where the future is with these kinds of cuts. Could we maintain otherwise? I don't know; that's a tough question.

. TAPE 10, SIDE B

011 REP. BARNES: Hopefully, you're not burning your bridges behind you to go to this low in a 2- to 3-year period.

012 LADD: I hope not.

027 BOB VAN HOUT, UNITED SENIORS: As I listen to what is developing, I feel like the Frenchman who saw the German troops coming through the Arc de Triomphe. This is a devastating loss, and in 4 or 5 years you might recover.

We have worked for the last 10-12 years to develop a mosaic of programs to provide a variety of services to meet the needs of the people at the level where they had the need for those services. We set up a model program in this state, and some of us - you people included - worked hard to help establish a program where we said this person needs a little of this; this one needs more and this one needs a lot. We've tried to develop a broad range of programs which philosophically go toward programs with the least restriction on the people being served. If they can be served at home, we want them to be served at home. If they can be served in an immediate facility, we want them to be served there. If they must go to a nursing home, we consider that the last resort of service to those people.

We're talking, literally, about thousands of people. We've talked briefly to some of you about the Nursing Home Ombudsman Program, which was created by the Legislature to be an independent agency and to protect the people living in nursing homes, foster homes and immediate-care facilities. There are 27,000 beds available for people who are being treated in those facilities and who need someone to provide observation and oversight as to what goes on. As we built those programs, we also built some kind of mechanism to see that those programs were carried out, with enforcement where necessary for those who participated as producers but wouldn't obey the rules and regulations of humane conduct.

During the last 12 years, we built a program that is a model for the country. I've had phone calls from other states and other groups asking how we did it - it is a program that is the envy of other states because it meets the objective of providing people help at the level they need services, but no more. We look to the providing people help at the level they need services, but no more. We look to the Nursing Home Ombudsman Program as the key - and the Legislature created it; it's your baby and you need to help us maintain it. Senate Committee on Health and Human Resources
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You know that they're talking about significant cuts in the OPI program, for those people getting assistance at home who aren't in nursing homes.

Those people are being served at a lower cost than any other programs we have. The whole concept of assisted living says provide the services at the lowest cost and still provide for the needs of the people. We feel that the cuts that have been made, and the new eligibility standards (208% of the poverty level) are in keeping with the levels of the 2 lowest states in the country - Mississippi and Texas. You need to be povertystriclcen and clothesless before you can get help. We used to be high; we're going to be at the bottom of the pit. We seniors are considering proposing a piece of legislation that will affect seniors more than any other group - re-enactment of an inheritance tax on estates of greater than \$600,000. We estimate that this tax would bring revenues of \$20-30 million per biennium. That revenue would be dedicated to help restore monies cut from the Senior Services Division budget. We don't think there'll be widespread opposition from people living under the bridges, or on food stamps, if you enact an inheritance tax.

We think if there are other taxes, they should be generally spread. We have no desire to say seniors only or seniors first. Other revenues should be broad-spread, used wherever needed and wherever the program needs the funds. We think this program isn't necessarily one that need be referred to the people; it's one that this Legislature can mandate so we can have some relief in some of these areas.

You know that these cuts are only the beginning. In 2 yrs when we come back, we'll have tears in our eyes as big as eggs. We're only now beginning to feel like we're losing our shirts; when we come back in '93 and there's still a need for relief and we'll be standing before you with only a tie on, because senior programs and others are going to be decimated further. And time is not necessarily on our side. - The question was raised: in 4 or 5 years, can you build this program up again? Well, even the 49ers find it's hard to sustain a program with a good crew, and must be much more difficult to start over with a new team. You don't reinstate a program in a couple of years; it takes 4 or 5 years to build one up with experienced people.

The people who approved Measure 5 were asking for property-tax relief, and we've no quarrel with that. We recognize that need. But at the same time, they didn't say send all the sinners to the guillotine - let's cut out all the programs.

One final thought: If we were to eliminate all central staff in the Senior Services Division 149 of them - we would save about \$6 million. That means no director, no secretaries, no computer operators. If we cut all that staff, that would leave us with \$100 million in cuts still to be made.

186 TERRY ROGERS, UNITED SENIORS: We are coming in with 2 bills in the continuumofcare area, in terms of long-term care. One deals with nursing homes and comes from the Governor's Conference on Aging. It'll be introduced jointly with the Oregon Health Care Association and the rest of the nursing-home industry and other advocates. This is a joint bill and will deal with the reimbursement system, hopefully providing the mechanisMfor increasing wages and benefits in nursing homes, so we can stabilize the certified

Thelie minutes cont in matcnals which paraphrase andlor summanzc rtatedems made dwirg tbis ~esonon. Ooly text enclosed in quotation marks report a speaser's exact ~rorda. For complete contents of the p~ccedi q~s, please refer lo tbe tapes. nurse-aide system. It also deals with the reinforcement system; it increases the fine for violating rules and

regulations and require that SDSA meet certain timelines when investigating complaints - there have been problems in that area. That bill will be introduced in the House. The adult foster-home bill, which is coming from United Seniors and the Citizens' Coalition for Better Nursing Home Care, will be introduced in the Senate. I daresay it will come to this committee. It will make some increases in the requirements for adult foster-care homes. These requirements deal with substitute caregivers, who have no training and are brought in to spend a weekend or a few hours. There've been numerous problems in that area; we'd like to require training for all caregivers. We see a dearth of activities for adults in foster-care homes and would like to see at least a 6-hour activity requirement with activities offered. 221 SEN. PHILLIPS: Why did you adopt a \$600,000 limit?

223 VAN HOUT: Federal law currency requires it.

235 G.G. GOLDTHWALTE, CHAIR, GOVERNOR'S COMMISSION ON SENIOR SERVICES: OPI is the base of our services to seniors - this is where it begins. We move from there through the continuum of care and we have right now as good a continuum as exists in the United States. I couldn't believe that OPI had been cut 43% in this budget proposal - 1,592 seniors will not receive it. This is penny-wise and pound-foolish. In a very short time, some of these people are going to cost you much more than you would pay with OPI. We will be around to see if we can do something to increase the OPI budget. We recognize that if you give it to OPI, you must take it from someone else, however. But we'll be around to talk to you and we'll be available if you want to talk to us.

265 JIM DAVIS, OREGON STATE COUNCIL OF SENIOR CITIZENS/UNITED SENIORS EXHIBIT B): Details Exhibit B. -Will seek legislation to re-fund senior mental-health projects and add 2 geriatric mental-health specialists (Exhibit B, Page 6). 418SEN. PHILLIPS: It's important for you to come lay the issues out before us. If you need more money, ask for more money. That way, we can at least make cuts based on a full range of knowledge. If you come in and say we can get by with X when you really can't, you do everyone a disservice. At least, then, it's on us and we can either defend it or go back to our constituency and say you asked for it through Measure 5. 437 SEN. TROW: I don't think that when the voters approved Measure 5, they were doing much more than voting for property-tax relief. Had they known the extent to which services in the state would have been damaged, I bet they'd have voted it down. TAPE 11, SIDE B

003 JAMES McCONNELL, OREGON ASSOCIATION OF AREA AGENCIES ON AGING (EXHIBIT C): Details Exhibit C. 099 GLORIA HERSCHMAN, HOME HEALTH ASSOCIATION: Home health-care organizations provide a full range of professional and supportive services. Professional services are those provided by nurses, physical and occupational therapists, speech pathologists and social workers. Supportive services are those provided by homemakers, certified nursing assistants and homehealth aides.

The Home Health Organization provides care to people of all ages, but primarily the frail elderly and the adult disabled, who require our services the most. The goal of home care is to promote independence and dignity, are to keep people at home as long as possible. That's a goal that has been very consistent with the state of Oregon's philosophy of preventing premature institutionalization.

However, I must tell you that for home care organizations, achieving that goal for state-funded clients has been extremely difficult if not impossible. At best, those resources are limited. Reimbursement for home

care providers is poor. In many rural areas, home-care organizations have simply gone out of business. Area Agencies on Aging have had to go into the home-care business whether they wanted to or not. In urban areas, home-care providers don't necessarily go out of business - they simply go out of the business of providing services to state-funded clients. In essence, we currently have a two-tiered system. And state-funded clients are being denied access to services not because services are unavailable, but because services are unavailable to them. Our current system already is operating with limited resources, and what is being suggested? That we cut it even further. That we reduce OPI by 43%, that we reduce caseloads by limiting even more impairment levels, and that we reduce financial eligibility even further. Representative Ford asked, and I still haven't heard the answer, what will happen to these people? To illustrate, here is a case example: Mrs. B is an OPI client and the VNA has been serving her for a number of years with 3 hours of supportive services a week. She is 78, has emphysema and a history of heart disease. About 6 months ago, she had a mild heart attack and went to the hospital. When she was ready to be discharged, she still was having problems with falling. Her balance was poor and her endurance weak. It was determined that she needed 2 hours of supportive services daily to be able to go home. The current system had insufficient resources to provide those services (at about \$26 a day) and Mrs. B. went to a nursing home, where she remains.

I hope you can see that the current system is not meeting our goal of preventing premature institutionalization. Certainly, the cuts that are being suggested would be detrimental to that goal being reached.

151 MARY JAEGER, CHAIR, LEGISLATIVE COMMITTEE, OREGON HEALTH CARE ASSOCIATION (EXHIBIT D): Details Exhibit D.

180 REP. TAYLOR: We heard that in doing away with the Certificate of Need (CN), there'd be additional nursing homes built. Then, we heard that with cuts in nursing homes, there would be nursing-home closures. Would you comment? 186 JAEGER: Iho Oregon Health Care Association opposes repealing the CN. In terms of closure issues, I can't speak articulately for the numbers around the state. In the Multnomah County, tri-county area, we've had 4 closures in the last 3 months. Many of the 60 calls that the Mt. St. Joseph Residence and Extended Care Center (Portland) has received have been from the most recent closure, the closure of a home where 78% of the clients were Medicaid clients. I think there are many studies one can look at for Oregon, and nationally, which correlate reimbursement to care needs and quality of care.

200 SEN. PHILLIPS: I'm confused on one point - according to your figura for Oregon, females are 71% of the nursing-home population, and males between the ages of 75 and 84 make up 10%. That gets you to 81%. What about the remainder?.

209 JAEGER: The remainder are veterans. 212 CHAIR McCOY: In conclusion, I'd like to remind you that Senator Trow is working very hard in Ways and Means to restore as many of these cuts as possible. 217 SEN. TROW: But it's not going to be possible to restore all the cuts in any of the budgets, unless we do what some of you have recommended - find additional revenues. There will be cuts and there's no way we can avoid them. 224 CHAIR McCOY: Adjourns meeting at 5:51 p.m.

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Submitted by: Reviewed by: Michael Sims Janice J. Fiegener

Assistant

Committee Administrator

EXHIBIT LOG: A - Briefing material, SDSD - Diclc Ladd - 45 pages B -
Testimony on Governor's SDSD budget - Jim Davis - 6 pages m Davis - 6
pages C - Testimony on Governor's SDSD budget - James McConnell - 4
pages C - Testimony on Governor's SDSD budget - James McConnell - 4
pages D - Testimony on Governor's SDSD budget - Mary Jaeger - 6 pages