



# 2016 OREGON LONG TERM CARE STATE REPORT



Improving lives by advancing quality care in Oregon since 1950

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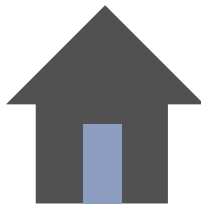
**Policy Initiatives**

## Oregon is a National Leader in Long Term Care Services and Supports

Oregon continues to be a national leader in long term care innovation and services. Oregon ranks at the top in overall system performance as well as in specific areas of service. Some key highlights about Oregon include:

#1

Oregon invests more in home and community-based services as a percentage of long term care service spending than any other state<sup>1</sup>



Oregon ranked #1 in the nation in successful transfers from skilled nursing facilities back to their homes and to the community<sup>2</sup>

#2

Oregonians 65+ are ranked 2nd lowest in the nation in key indicators of inactivity and rank 6th highest in terms of overall health status<sup>3</sup>



Oregon has the lowest nursing facility utilization rate<sup>4</sup> in the nation and ranks 3rd in nursing facility hospitalization rate<sup>5</sup>

#3

Oregon ranked #3 in the nation by AARP for long term care<sup>6</sup>



Oregon community-based care staff, including memory care, provide 51 minutes more of direct resident care than their counterparts nationally<sup>7</sup>



## Long Term Care Services and Supports in Oregon

For over three decades, Oregon has been a pioneer in providing long term care services and supports. Our long term care service providers deliver thoughtful, person-centered care to elderly Oregonians and people with disabilities around the state.

The state's long term care profession has a rich history in providing quality care and innovative services. The first residential care community in the United States opened its doors in Oregon in 1985.<sup>8</sup> Oregon also became the first state to apply for a waiver from the Centers for Medicare & Medicaid (CMS) to offer Medicaid funded services in care settings beyond nursing facilities. In 1981, Oregon received that waiver to provide Medicaid funded services in assisted living. Medicaid now offers a variety of alternatives for people to access the long term care services they need to maintain their independence and dignity in a healthy and secure way.

Oregon was the first state to widely promote and utilize home and community-based services (HCBS), a model that encourages individuals to receive services in their own home or community, instead of a nursing facility.

In order to continue to be a national leader in providing high quality care to older adults and people with disabilities, it is critical for Oregon to invest in long term care services and supports over the next decade and beyond.

1. Eiken, S., Sredl, K., Burwell, B. and Saucier, P. (2016) *Medicaid Expenditures for Long-Term Services and Supports (LTSS) in FY 2014: Managed LTSS Reached 15 Percent of LTSS Spending*. Truven Health Analytics.
2. Reinhard, S., Kassner, E., Houser, A., Ujvari, K., Mollica, R. and Hendrickson, L. (2014) *Raising Expectations—A State Scorecard on Long-Term Services and Supports for Older Adults, People with Physical Disabilities and Family Caregivers*. Washington, DC: AARP.
3. United Health Foundation (2016) *America's Health Ranking® Senior Report 2016*. United Health Foundation May 2016.
4. AHCA/NCAL Research Division (2016) *Summary of Beds (Certification, Specialty) and Occupancy for the Nation and by State*. Source: CASPER. March 2016.
5. Office of the Inspector General (2013) *Medicare Nursing Home Resident Hospitalization Rates Merit Additional Monitoring*. Washington, DC: Department of Health and Human Services.
6. Reinhard, S., Kassner, E., Houser, A., Ujvari, K., Mollica, R. and Hendrickson, L. (2014) *Raising Expectations—A State Scorecard on Long-Term Services and Supports for Older Adults, People with Physical Disabilities and Family Caregivers*. Washington, DC: AARP.
7. Carder, P., Kohon, J., Limburg, A., Zimam, A., Rushkin, M. and Neal, M. (2016) *Oregon Community-Based Care Resident and Community Characteristics Report: Assisted Living, Residential Care, and Memory Care*. Portland State University. Spring 2016.
8. Wilson, K.B. (2007) "Historical Evolution of Assisted Living in the United States, 1979 to the Present." *The Gerontologist*. 47 (3): pp. 8-22.



# Oregon's Long Term Care Service Choices

## A Continuum of Care

Long term care consists of the services and supports that help an individual when their ability to carry out the activities of daily living (ADLs) has been reduced by significant age, illness, or disability. In Oregon, these services are provided through a continuum of care settings that allow an individual to maintain their dignity, independence, and autonomy within a safe environment.

### In-Home Care Agency (IHC)

*Agencies that employ, assign, and schedule caregivers to provide personal care assistance for clients in their home or in a community setting.*

### Home Health Agency (HHC)

*Agencies that provide skilled care services in an individual's home. These services are largely funded by Medicare.*

### Independent Living/ Senior Retirement Housing (SRH)

*Settings including apartments or cottages that offer adults 55+ the conveniences of community living. In general, these communities do not provide health care or assistance with their activities of daily living. Often they offer recreational opportunities, dining, laundry service, and other similar amenities.*

## The Continuum of Long Term Care Services and Supports



### In-Home Care

- ▶ In-home health supports & services
- ▶ Family supports
- ▶ Community supports

### Independent Living/Senior Retirement Housing

- ▶ Recreational activities
- ▶ Amenities such as laundry & dining

## Home and Community-Based Care (CBC)

Foundational to the long term care system in Oregon is a commitment to home and community-based care (HCBS), where care is provided to individuals in community settings such as assisted living, residential care communities, and adult foster homes.

## Assisted Living (ALF)\*

Licensed 24-hour home and community-based service settings for six or more residents in individual, private apartments. Services are comparable to residential care communities. Registered nurse consultation services are required under state regulations.

## Residential Care (RCF)\*

Licensed 24-hour home and community-based service settings that serve anywhere from six to more than 100 residents. Rooms can be shared by two individuals. Different types of residential care include 24-hour residential care for adults and specialty memory care communities. Registered nurse consultation services are required by regulation.

## Memory Care Community (MC)

Environments where staff care for individuals with Alzheimer's or dementia who have needs that require a secure setting. Each setting is licensed by the state as a residential care, assisted living, or nursing facility. Memory care communities are required by the state to train staff to care for residents with dementia and provide specialized services.

## Adult Foster Home (AFH)

Services are provided in single family home-like settings that are licensed for five or fewer individuals who are not related to the foster home provider. Adult foster homes provide a range of care and service needs.

## Skilled Nursing Facility (SNF)

Licensed facilities that provide 24-hour skilled nursing for post-acute rehabilitative care or long stay services that are needed due to ongoing and indefinite cognitive or physical impairment.

\* Assisted living and residential care communities have the same licensing standards. The primary difference between the two settings is that residential care communities are allowed to have two individuals share a room and residents at assisted living communities cannot share rooms. Assisted living communities are also required to provide a private bath and a kitchenette for each resident.



### Assisted Living/Residential Care

- ▶ Community-based settings
- ▶ Assistance with ADLs/IADLs such as bathing & medication management
- ▶ Memory care

### Skilled Nursing

- ▶ Post-acute rehabilitative care
- ▶ Intensive, skilled nursing services
- ▶ End of life care/hospice



RIGHT NOW, 1 IN 8 OREGONIANS ARE 65 AND OLDER. BY 2035, THIS NUMBER IS EXPECTED TO GROW TO 1 IN 5.



## Oregonians in Long Term Care

Each day, over 70,000 Oregonians receive care in long term care communities across the state, and that number will grow as Oregon’s population continues to age.

Oregon’s population is aging at a record pace. In 2015, 645,031 Oregonians were 65 years of age or older, and, of that, 84,668 were 85 or older—the age group most likely to need care. By 2035, there will be an estimated 173,634 Oregonians over the age of 85.<sup>9</sup>

The changing demographic profile of Oregon presents great opportunity as well as a need for the state to better prepare for the challenges that an older population presents.

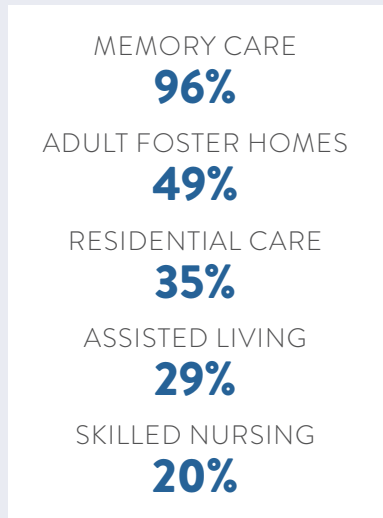
### Healthy Aging

Overall, older adults in Oregon are some of the healthiest, and those 65 and older have the 2nd lowest rate of physical inactivity in the nation. A physically active population generally translates to a healthier population. In addition, a larger number of Oregonians 65 and older report their health status as excellent or very good compared to their counterparts in other states, ranking 6th in the nation in terms of health status.<sup>10</sup> However, this means that in Oregon, those needing long term care services and supports are typically older and in poorer health than those in other states.

### Chronic Health Conditions

Oregon’s prevalence of Alzheimer’s disease and dementia is similar to that of the rest of the nation. In Oregon, as in other states, chronic conditions such as Alzheimer’s disease and dementia are a significant driver of the need for long term care services and supports. Approximately 62,000 Oregonians currently have a diagnosis of Alzheimer’s or dementia.<sup>11</sup> This number is projected to grow significantly. By 2025, over 84,000 Oregonians will have a diagnosis of dementia—a 40% increase in just ten years.<sup>12</sup>

### Percent of Residents with an Alzheimer’s or Dementia Diagnosis by Service Setting



Source: Carder, P., Kohon, J., Limburg, A., Zimam, A., Rushkin, M. and Neal, M. (2016) *Oregon Community-Based Care Resident and Community Characteristics Report: Assisted Living, Residential Care, and Memory Care*. Portland State University. Spring 2016; Mendez-Luck, C., Luck, J., Larson, A., and Alvarado, C. (2016) *The State of Nursing Facilities in Oregon, 2015*. Corvallis, OR: OSU College.

9. Office of Economic Analysis (2013) *Long-Term Oregon State’s County Population Forecast, 2010-2050*. Salem, OR: Office of Economic Analysis. [www.oregon.gov/das/OEA/Pages/forecastdemographic.aspx](http://www.oregon.gov/das/OEA/Pages/forecastdemographic.aspx).

10. United Health Foundation (2016) *America’s Health Ranking® Senior Report 2016*. United Health Foundation. May 2016.

11. Alzheimer’s Association (2016) *2016 Alzheimer’s Disease Facts and Figures*. Accessible here: [www.alz.org/documents\\_custom/2016-facts-and-figures.pdf](http://www.alz.org/documents_custom/2016-facts-and-figures.pdf).

12. Ibid.

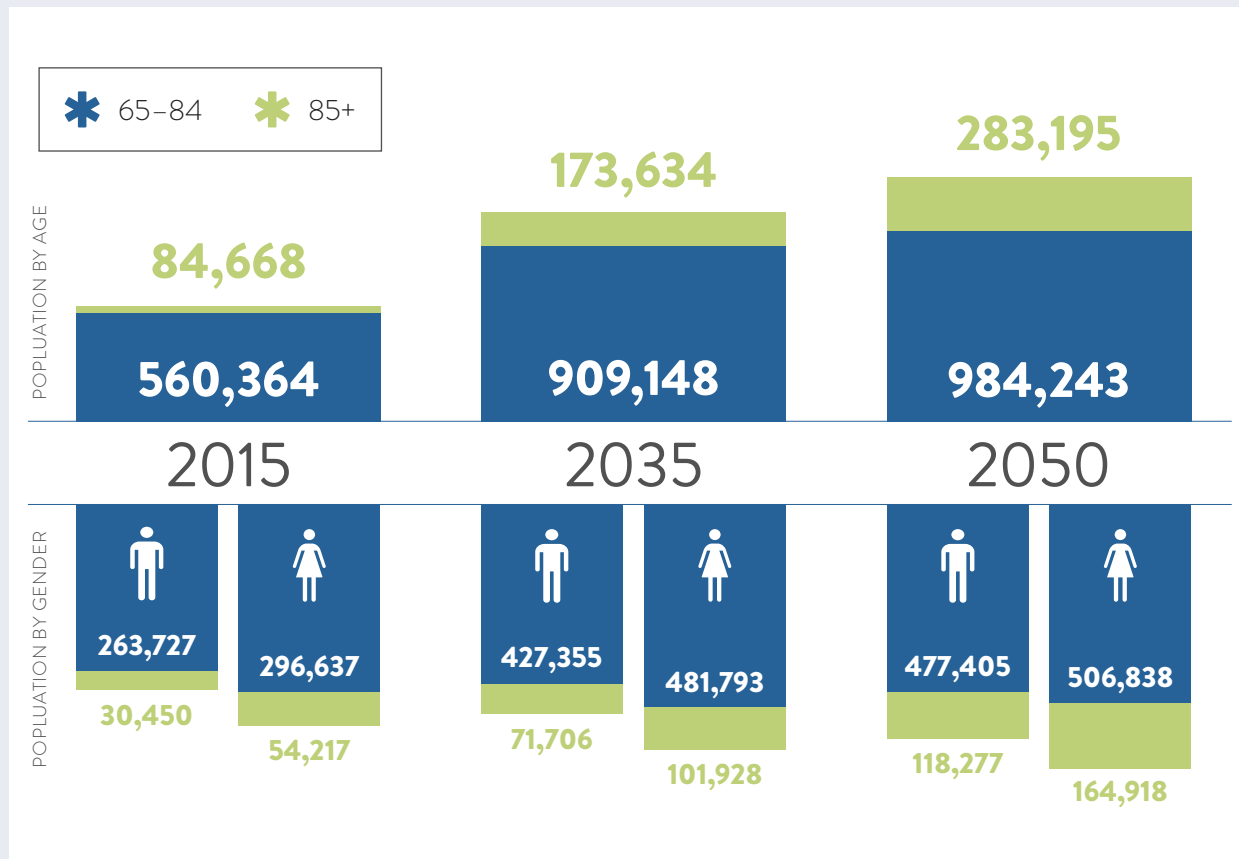


## Options for Long Term Care—Where People are Served

| PROVIDER TYPES                   | NUMBER OF SERVICE PROVIDERS | PEOPLE SERVED EACH DAY |
|----------------------------------|-----------------------------|------------------------|
| In-Home Care                     | 149                         | 30,000+                |
| Assisted Living                  | 221                         | 14,738                 |
| Residential Care                 | 119                         | 4,951                  |
| Memory Care                      | 167                         | 6,028                  |
| Adult Foster Homes               | 1,692                       | 7,475                  |
| Skilled Nursing/Post Acute Rehab | 137                         | 7,481                  |
| <b>TOTAL</b>                     | <b>2,335</b>                | <b>70,000</b>          |

Sources: Oregon DHS Office of Licensing and Regulatory Oversight, Providers by Setting, April 2016; P Carder et al. (2016) *Oregon Community-Based Care Resident and Community Characteristics Report: Adult Foster Homes*. Portland State University. June 2016.

## Forecasts of Oregon's Populations by Age and Gender, 2015–2050



Source: Data from "Forecasts of Oregon's County Populations by Age and Sex, 2010–2050." Office of Economic Analysis, Department of Administrative Services, State of Oregon.

# 68%

of all people admitted to skilled nursing are discharged back to their homes or the community within 100 days

While the vast majority (over 98%) of individuals needing some form of long term care services and supports are served within the community, meaning they are taking care of themselves or being cared for by a loved one, those with Alzheimer's and dementia are much more likely to need more formal long term care services. In fact, 52% of all individuals with Alzheimer's or dementia live in a care community.<sup>13</sup>

## Acuity Levels

Acuity denotes the measurement of intensity of service needs of an individual related to their cognitive function, health conditions, medication use, psychosocial needs, and other health needs. In Oregon, the acuity needs of the state's community-based care residents are increasing, and a higher level of acuity generally means an individual requires a higher level of care. This increase in acuity is reflective of individuals receiving services longer in their own homes either from loved ones or paid caregivers.

The amount of assistance a person needs with their activities of daily living (ADLs), like help with bathing or grooming, is one way to measure acuity. Additional measures of acuity include instrumental activities of daily living (IADLs) such as help with taking medications.

For example, 84% of assisted living residents and 99% of memory care residents need assistance with medication.<sup>14</sup>

Other ways to measure acuity include the number of diagnoses of chronic conditions or the level of obesity.

## Length of Stay

The needs of the population served by community-based care providers, like assisted living communities and in-home care agencies, differ from those in skilled nursing facilities who often require highly intensive, skilled care.

Skilled nursing facilities primarily serve as providers of short-stay, post-acute, rehabilitative care, and there has been a shift toward the use of home and community-based services as the primary settings for long term care in Oregon.

## 53% OF RESIDENTIAL CARE RESIDENTS AND 64% OF ASSISTED LIVING RESIDENTS HAVE A LENGTH OF STAY LONGER THAN ONE YEAR.\*

\*Source: Carder, P., Kohon, J., Limburg, A., Zimam, A., Rushkin, M. and Neal, M. (2016) *Oregon Community-Based Care Resident and Community Characteristics Report: Assisted Living, Residential Care, and Memory Care*. Portland State University. Spring 2016.

This has resulted in a steady decline in the length of stay in Oregon skilled nursing facilities over the past decade, even though the total annual admissions have increased year-over-year. In 2015, the median length of stay in Oregon was 23 days.<sup>15</sup>

Lengths of stay in community-based care are longer. In assisted living, over 64% of residents stay longer than 1 year.<sup>16</sup> In residential care, 49% stayed longer than a year while 58% of memory care residents stayed longer than a year.



13. Ibid.

14. Carder, P., Kohon, J., Limburg, A., Zimam, A., Rushkin, M. and Neal, M. (2016) *Oregon Community-Based Care Resident and Community Characteristics Report: Assisted Living, Residential Care, and Memory Care*. Portland State University. Spring 2016.

15. Mendez-Luck, C., Luck, J., Larson, A., and Alvarado, C. (2016) *The State of Nursing Facilities in Oregon, 2015*. Corvallis, OR: OSU College.

16. Carder, P., Kohon, J., Limburg, A., Zimam, A., Rushkin, M. and Neal, M. (2016) *Oregon Community-Based Care Resident and Community Characteristics Report: Assisted Living, Residential Care, and Memory Care*. Portland State University. Spring 2016.



## Safety and Compliance Oversight

Licensed long term care providers as well as hospitals are subject to thousands of pages of federal and state rules and regulations and are scrutinized by a wide range of oversight and advocacy agencies. Service providers are required to meet federal, state, and local compliance standards for resident care, safety, and quality of life.

Federal law requires nursing care centers that are Medicare and/or Medicaid certified to be inspected by state surveyors who are contracted by the Centers for Medicare and Medicaid (CMS). Skilled nursing facilities are also subject to comply with an additional set of state licensing standards.

For assisted living and residential care settings, new federal standards called home and community-based service settings (HCBS) standards were recently adopted by CMS and are now required in communities nationwide. All Oregon assisted living and residential care communities are currently under review for compliance with these standards.

In Oregon, skilled nursing facilities, assisted living communities, and residential care communities are subject to a wide-range of oversight from the Department of Human Services (DHS). For example, these communities are subject to licensing and complaint surveys performed by the Safety, Oversight, and Quality Unit. All licensing and complaint surveys in Oregon are unannounced, and onsite inspection teams follow standardized protocols which include resident, family, and staff interviews and comprehensive audits of resident records.

Additional focus reviews are deployed when a complaint is filed against a service provider. These are performed by state survey staff (nursing facilities) or compliance specialists (assisted living and residential care communities).

Investigations can also be performed by the Oregon DHS Office of Adult Protective Services (APS) at state licensed facilities or in private homes in the community if there are allegations of abuse or suspected abuse.

**LONG TERM CARE SERVICE PROVIDERS ARE SUBJECT TO THOUSANDS OF PAGES OF RULES AND REGULATIONS AND MULTIPLE LAYERS OF GOVERNMENT OVERSIGHT.**

## LONG TERM CARE IS SUBJECT TO 10 OR MORE LEVELS OF GOVERNMENT OVERSIGHT.

In addition to routine licensing inspections, separate fire and life safety inspections are performed by either the local fire authority or the State Fire Marshal at long term care facilities. Each of these comprehensive inspections are augmented by other routine visitors and agencies who come in contact with residents and staff in the licensed setting.

### Government Oversight By Licensed Setting in Oregon

|   | SKILLED NURSING | ASSISTED LIVING (ALF) | RESIDENTIAL CARE (RCF) | MEMORY CARE (MC) | ADULT FOSTER HOMES | IN-HOME CARE | HOSPITALS |
|---|-----------------|-----------------------|------------------------|------------------|--------------------|--------------|-----------|
| US Centers for Medicare & Medicaid Services (CMS) | *               | *                     | *                      | *                | *                  |              | *         |
| DHS Office of Licensing and Regulatory Oversight  | *               | *                     | *                      | *                | *                  |              |           |
| DHS Adult Protective Service Investigators        | *               | *                     | *                      | *                | *                  |              |           |
| DHS Compliance Surveyors                          | *               | *                     | *                      | *                | *                  |              |           |
| DHS Complaint Specialists/Surveyors               | *               | *                     | *                      | *                | *                  |              |           |
| DHS/AAA Case Managers                             | *               | *                     | *                      | *                | *                  | *            |           |
| DHS Criminal Background Check Unit                | *               | *                     | *                      | *                | *                  | *            |           |
| DHS/APD Contracting Requirements                  | *               | *                     | *                      | *                | *                  | *            |           |
| Long Term Care Ombudsman                          | *               | *                     | *                      | *                | *                  |              |           |
| Fire & Safety Officials                           | *               | *                     | *                      | *                | *                  |              | *         |
| OHA Licensing                                     |                 |                       |                        |                  |                    | *            | *         |
| OHA Certificate of Need                           | *               |                       |                        |                  |                    |              | *         |
| <b>TOTAL</b>                                      | <b>11</b>       | <b>10</b>             | <b>10</b>              | <b>10</b>        | <b>10</b>          | <b>4</b>     | <b>4</b>  |



nearly

**83,000**

Oregonians are employed in the long term care service sector

## Economic Impact

The long term care sector is a vital component of Oregon's economy. In 2014, the total economic footprint of the sector in the state was nearly \$7 billion.<sup>17</sup> This is an increase from \$4.6 billion in 2009, the last year economic data for long term care had been analyzed, and now includes data from in-home care. This amount is expected to grow as Oregon's growing population continues to age.<sup>18</sup>

The sector provides employment to nearly 83,000 Oregonians, and the majority of these jobs are in nursing, assisted living, and residential care facilities, as well as in in-home care and home health agencies, which themselves employ over 15,000 Oregonians.

Due to its large footprint, the long term care sector generates significant tax revenue for both the federal government and the State of Oregon. In 2014, over \$552 million in federal taxes and \$289 million in state taxes were generated from the sector.<sup>19</sup> This revenue supports vital public services such as roads, public transportation, and education.

The significance of the long term care sector to the Oregon economy cannot be overstated. Providing jobs and economic growth across the state as well as much needed revenue for public services is a benefit to all Oregonians. In addition, Oregon's increasing need for services as the population ages means that the sector is likely to remain an important part of the state economy well into the future.

In 2016, the state approved a substantial minimum wage increase that will be phased in over the next six years. Mandated increases to wages will create uncertainty for the sector as rising labor costs will be challenging for providers who already operate within thin margins and are largely constrained by their dependence on public funding, primarily Medicare and Medicaid. **Increasing Medicaid reimbursement rates would be one way to offset the uncertainty of these higher labor costs.** In addition, for every Medicaid dollar Oregon spends, the state receives an additional 70 cent match from the federal government.<sup>20\*</sup>

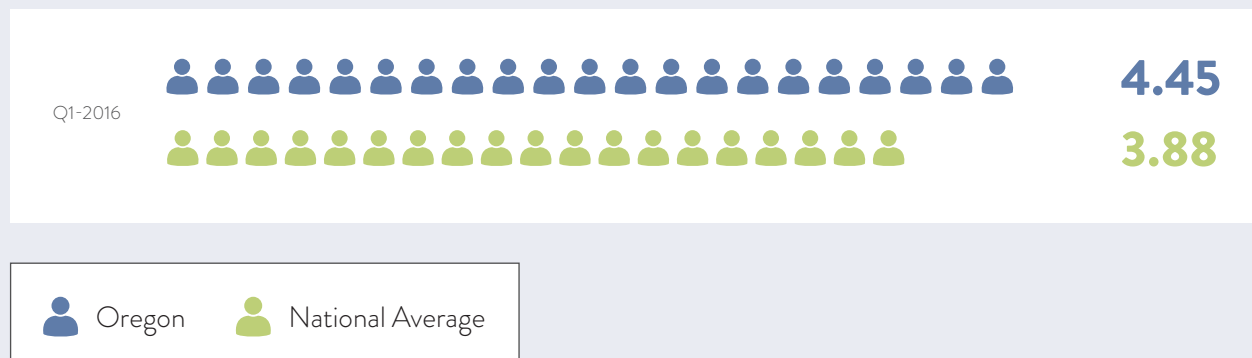
**IN 2014, THE TOTAL ECONOMIC FOOTPRINT OF THE LONG TERM CARE SERVICE SECTOR IN THE STATE WAS NEARLY \$7 BILLION.**

## Workforce

The long term care sector employs nearly 83,000 Oregonians in direct caregiver jobs such as nurses, nursing assistants, medication assistants, physicians, physical therapists, occupational therapists, speech therapists, dietitians, personal care workers, social workers, and home health aids and other roles such as in administration, accounting, maintenance, dining, and janitorial. These skilled individuals work every day to enable residents to meet their highest levels of health.

The demand for caregivers is projected to grow exponentially over the next ten years. Federal estimates show that Oregon will see a growth of 33% in the number of home health aides and a 29% growth in the number of personal care workers by 2024.<sup>22</sup>

### Direct Caregivers in Oregon Provide More Patient Hours Per Day Than the National Average.<sup>21</sup>



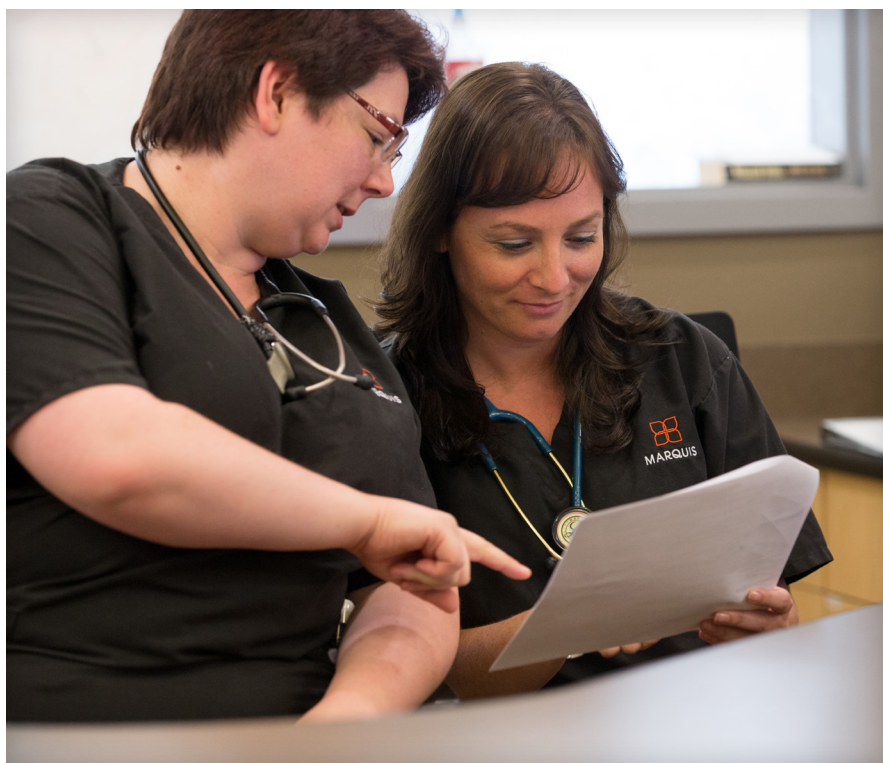
17. AHCA/NCAL Research Division (2016) *Economic Impact of Long Term Care Facilities Oregon*. April 2016.  
18. AHCA/NCAL Research Division (2011) *Economic Impact of Long Term Care Facilities Oregon*. January 2011.  
19. AHCA/NCAL Research Division (2016) *Economic Impact of Long Term Care Facilities Oregon*. April 2016.  
20. Lewin Group (2016) *Bending the Curve: Opportunities to Promote Sustainability in Oregon's Long-Term Services and Support System Draft Final Report*. February 10, 2016. \*Note: Oregon receives 64 cents on the dollar from the federal government for nursing facilities, while all other programs receive 70 cents.  
21. AHCA/NCAL (2016) *TrendTracker. CASPER Staffing Report: Direct Care Staff Patient Hours Per Day*. June 2016.  
22. Bureau of Labor Statistics (2016) *Projections Central*. "State Occupational Projections." Accessible here: [www.projectionscentral.com/Projections/LongTerm](http://www.projectionscentral.com/Projections/LongTerm).



## Impact of the Minimum Wage Increase on Labor Costs: 2016–2022

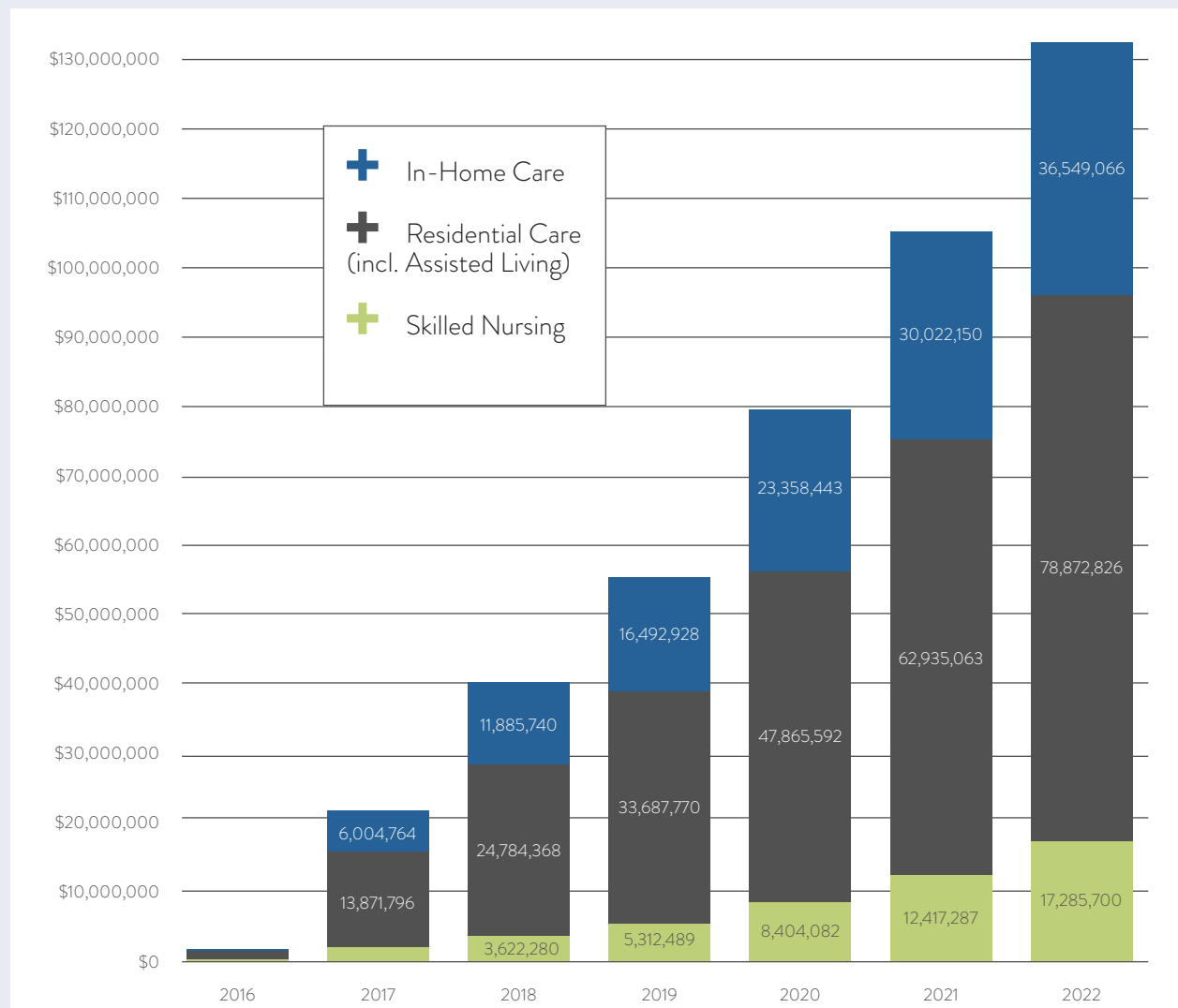
Labor is the single largest cost in long term care delivery of services, consisting of 70% of the cost to provide long term care. In 2016, the Oregon legislature approved a sweeping minimum wage increase that will be phased in over the next six years. Rising wages will create challenges for many providers who operate on thin margins, who may be forced to increase their prices in the private market.

Prior to the new law, 5% of long term care workers earned the minimum wage. After the new minimum wage is fully phased in, in 2022, approximately 60% of the long term care workforce will be impacted. OHCA commissioned PSU's Northwest Economic Research Center to study the effects of the minimum wage on the sector. They estimate that the direct costs from the minimum wage increase will be \$437 million. They estimate the direct costs as well as the indirect or upstream impact costs, including compensating for compression wages, will be over \$514 million by 2022.<sup>23</sup>



23. Northwest Economic Research Center (2016) *Minimum Wage Increases and Oregon's Long-Term Care Sector, Final Report*. Portland State University. July 2016.

## Impact of the Minimum Wage Increase on Direct Labor Costs by Service Setting: 2016-2022



Source: Northwest Economic Research Center (NERC). *Minimum Wage Increases and Oregon's Long-Term Care Sector Final Report*. Portland State University. April 2016.

**THE TOTAL DIRECT LABOR COST INCREASES ARE ESTIMATED TO BE \$437 MILLION BY 2022.**



## Long Term Care Financing Payer Sources

Public funds, primarily Medicare and Medicaid, are the main sources of long term care financing in the United States, including in Oregon. However, the level of public funding varies by program and care setting. For instance, nursing facilities see higher rates of Medicare and Medicaid funding than community-based care facilities, where private pay remains the largest payer source statewide. However, Medicaid is becoming a growing payer source in community-based care communities with more lower income Oregonians requiring services.<sup>24</sup>

### Skilled Nursing

Medicaid is the largest payer source for skilled nursing facility services with 59% of patient care in Oregon being covered by this source.<sup>25</sup>

Medicare is also a significant funder of skilled nursing facility care in Oregon with Medicare Fee-for-Service (FFS) accounting for 15% of skilled nursing facility funding. The growth of Medicare as a payer source is at least partially driven by an increased use of Medicare Advantage by Oregon Medicare beneficiaries in place of Medicare (FFS). While the use of Medicare Advantage has been steadily growing nationwide since 2003, Oregon now has the third highest Medicare Advantage take up rate of any state with 44% of all Medicare beneficiaries enrolled in a Medicare Advantage plan.<sup>26</sup> Medicare Advantage makes up 8% of all funding for nursing facilities.

### Assisted Living

Private pay remains the largest source of funding in assisted living at 51%. The percentage of care funded through Medicaid is 39%, its share increasing from 31% in 2008.<sup>27</sup> Other payers for assisted living in Oregon include private long-term care insurance at 5%, the Veterans Administration (VA) at 2% and Other at 2%.<sup>28</sup>

24. Carder, P., Kohon, J., Limburg, A., Zimam, A., Rushkin, M. and Neal, M. (2016) *Oregon Community-Based Care Resident and Community Characteristics Report: Assisted Living, Residential Care, and Memory Care*. Portland State University, Spring 2016.

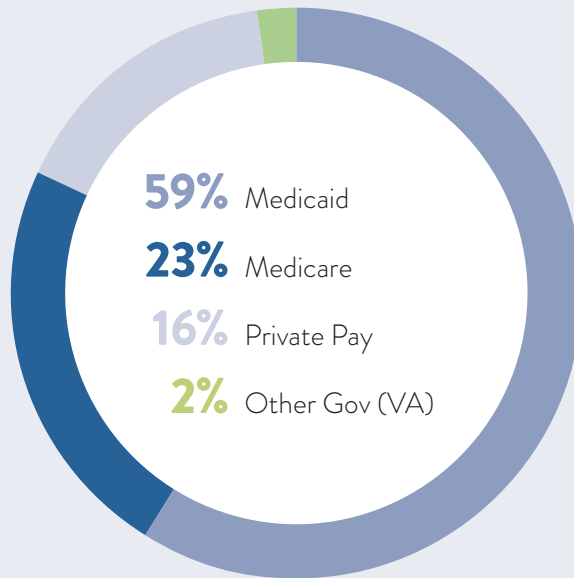
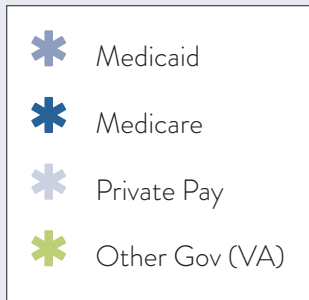
25. Mendez-Luck, C., Luck, J., Larson, A., and Alvarado, C. (2016) *The State of Nursing Facilities in Oregon, 2015*. Corvallis, OR: OSU College.

26. Jacobson, G., Casillas, G., Neuman, P., Damico, A., and Gold, D. (2016) "Medicare Advantage 2016 Spotlight: Enrollment Market Update." May 2016. Accessible here: <http://files.kff.org/attachment/Issue-Brief-Medicare-Advantage-2016-Spotlight-Enrollment-Market-Update>.

27. Carder, P., Kohon, J., Limburg, A., Zimam, A., Rushkin, M. and Neal, M. (2016) *Oregon Community-Based Care Resident and Community Characteristics Report: Assisted Living, Residential Care, and Memory Care*. Portland State University, Spring 2016.

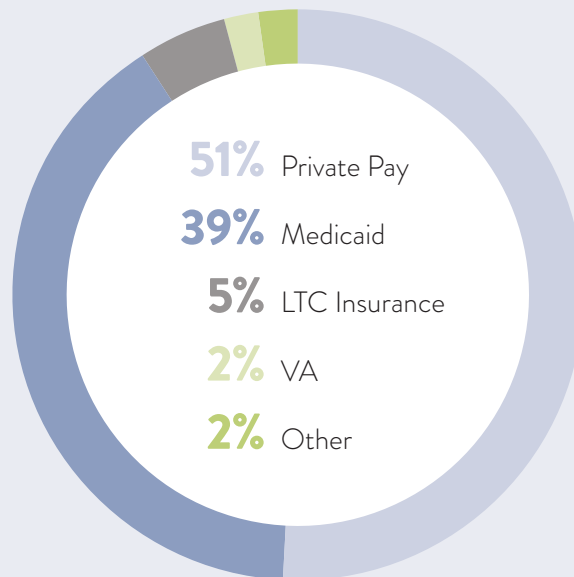
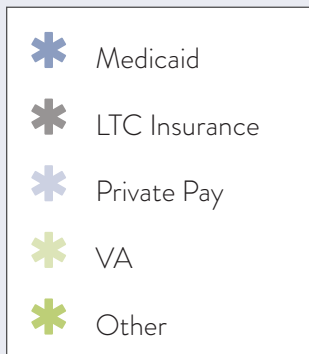
28. Carder, P., Kohon, J., Limburg, A., West, M., Zimam, A., and Neal, M. (2015) *Oregon Community-Based Care Resident and Community Characteristics Report 2014: Assisted Living, Residential Care, and Memory Care*. Portland State University, Spring 2015.

## Skilled Nursing



Source: Mendez-Luck, C., Luck, J., Larson, A., and Alvarado, C. (2016) *The State of Nursing Facilities in Oregon, 2015*. Corvallis, OR: OSU College.

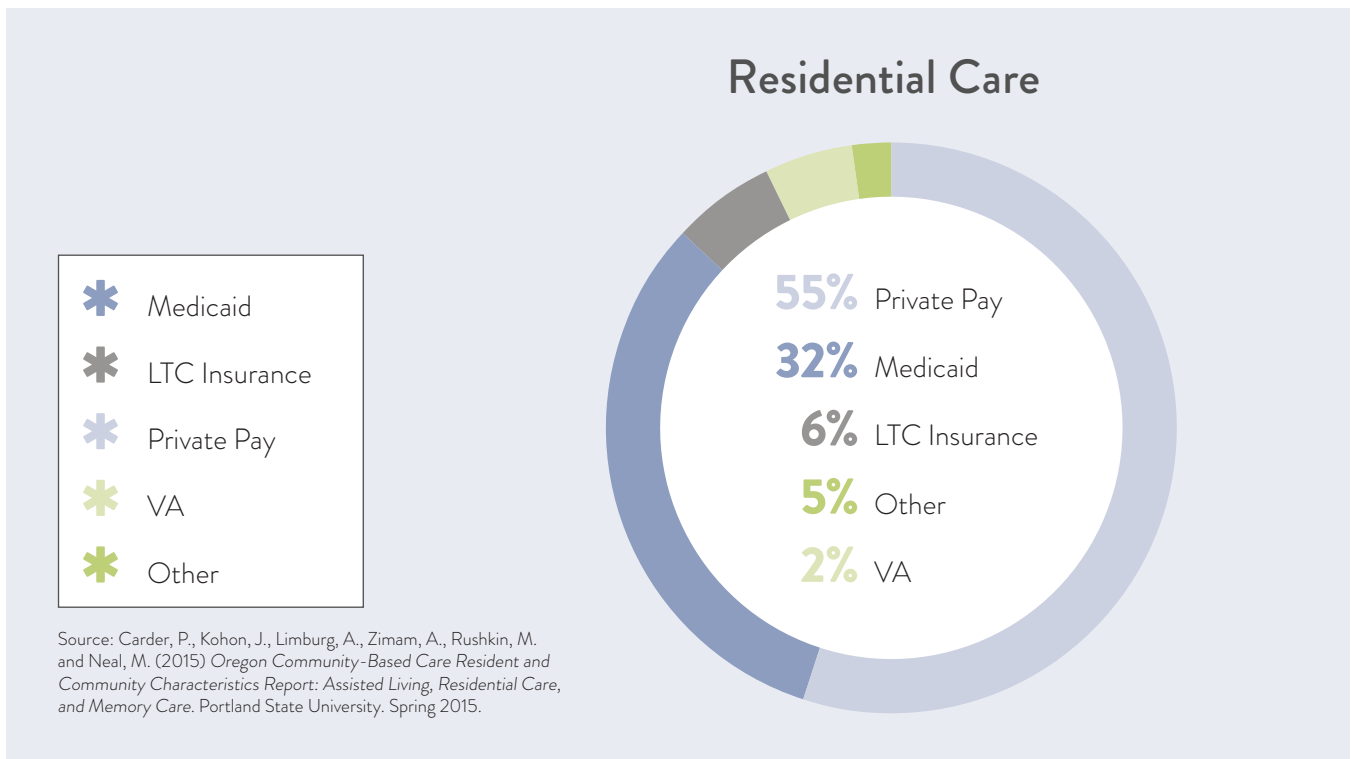
## Assisted Living



Source: Carder, P., Kohon, J., Limburg, A., Zimam, A., Rushkin, M. and Neal, M. (2015) *Oregon Community-Based Care Resident and Community Characteristics Report: Assisted Living, Residential Care, and Memory Care*. Portland State University. Spring 2015.

## Residential Care

The sources of funding for residential care vary slightly from assisted living. 55% of funding is from private pay individuals, while Medicaid accounts for 32%. The role of private long term care insurance is 6%, while Other is 5%, and the Veterans Administration (VA) is 2%.<sup>29</sup>

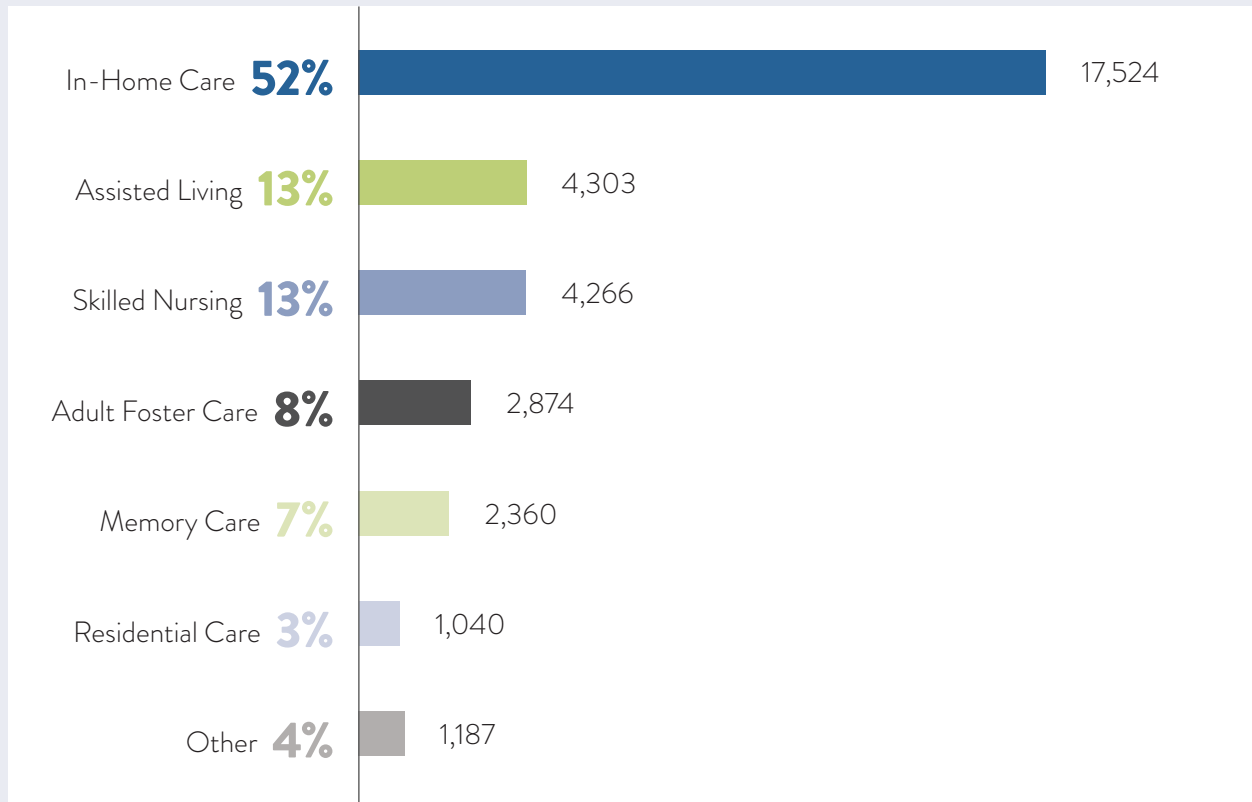


## In-Home Care

The payer mix for in-home care is difficult to precisely estimate. The majority of in-home services are paid for by individuals and families through out-of-pocket expenditures. Nonetheless, Medicaid does play a significant and growing role in the funding of in-home care. As of May 2016, 17,847 Oregonians received Medicaid funded in-home care services per month, a significant increase over the past two years. OHCA estimates that approximately 15% of all individuals who receive paid in-home care have their care funded through Medicaid.

29. Ibid.

## Medicaid Long Term Care Clients by Care Setting



Source: Oregon DHS | OHA Office of Forecasting, Research & Analysis (2016) *Monthly Caseload Variance Report. Department of Human Services, Adults and People with Disabilities.* July 2016.

## Private Pay and Medicaid Rates

| MONTHLY PRIVATE PAY RATES | MONTHLY MEDICAID SERVICE RATES | MEDICAID SHORTFALLS |
|---------------------------|--------------------------------|---------------------|
| <b>ASSISTED LIVING</b>    |                                |                     |
| Median Rate – \$4,065     | Level 1 – \$1,128              |                     |
|                           | Level 2 – \$1,398              |                     |
|                           | Level 3 – \$1,753              |                     |
|                           | Level 4 – \$2,203              |                     |
|                           | Level 5 – \$2,650              | 43%                 |
| <b>MEMORY CARE</b>        |                                |                     |
| Average Rate – \$5,168    | \$3,686                        | 56%                 |
| <b>IN-HOME CARE</b>       |                                |                     |
| Median Rate – \$4,385     | \$3,928                        | 11%                 |

Source: Genworth Financial (2016) *Genworth Financial Cost of Care Survey, 2016*; Carder, P., Kohon, J., Limburg, A., Zimam, A., Rushkin, M. and Neal, M. (2016) *Oregon Community-Based Care Resident and Community Characteristics Report: Assisted Living, Residential Care, and Memory Care.* Portland State University. Spring 2016. DHS APD Provider Rate Schedule, Effective July 1, 2016.



## Policy Initiatives

### Increase Service Payments for Medicaid Long Term Care

The majority of individuals receiving long term care services and supports in home and community-based care settings cover the costs of those expenses out of their own pockets at the market rate. For lower-income seniors, Medicaid pays for these services for those who need them.

As this report details, Medicaid pays providers substantially less than the market rate.

To meet the needs of Oregon's aging population, it is essential that the State of Oregon keeps pace with the rising costs of delivering quality care to seniors.

The Oregon legislature recently imposed additional costs on providers through large wage increases. With labor costs representing nearly 70% of the cost to deliver long term care services, these additional costs present major challenges for a sector already plagued with labor shortages and very low profit margins.

Providers will simply have to increase the costs of their services in the private market, as the cost of care increases. But for providers serving seniors on Medicaid—many of whom are in lower income, rural communities—there is no clear solution for how to address these significant cost increases. Any exacerbation of the gap between rising labor costs and insufficient Medicaid reimbursement rates will further strain these essential services in underserved communities.

***To ensure Oregon seniors and people with disabilities receive the quality care they deserve, the Oregon Legislature has an obligation to cover the cost of increased labor costs through a minimum wage add-on to the standard inflationary adjustment to Medicaid reimbursement rates.***



## Caregiver Training Initiative

In 2014, following reforms to the senior medical deduction that generated additional state revenues, the Oregon Legislature made a series of thoughtful investments in programs to enhance the care provided to seniors. One of these programs, Oregon Care Partners, offers free online and in-person training for family and professional caregivers on a variety of important topics.

The caregiver trainings provided by Oregon Care Partners include classes on caring for someone with Alzheimer's and other related dementias, strategies to manage common challenging behaviors, safe medication management, and specialized dementia training for public safety workers. Through the program, over 8,000 Oregonians have been trained, and most have attended multiple classes for a total of 20,000 trainings completed since the beginning of the program.

The funding for this program was renewed for the 2015–17 biennium.

***To continue to allow Oregonians from all parts of the state to receive Oregon Care Partner's necessary trainings, the funding should be renewed again for the 2017–19 biennium.***

