

## Response to session 2023 Regular Session

### **Directs Department of Human Services to immediately increase payments to certain adult foster home providers by 50 percent and, by January 1, 2024**

As a provider for the last two years and having worked in the industry for more than 10 years, I **fully support the increased payments for residents on Medicaid**. As a provider, I have come across cases where I cannot admit potential residents due to the fact the amount approved cannot facilitate me to provide the care the need. Significant challenge is getting the caregivers to support the care team. Caregivers are not only asking higher hourly payments, but they are also not available.

In my opinion, rates should be based on the complexity of care, the number of ADLs, training and experience of provider, and level of facility. Whilst I understand the complexity of setting rates for a diverse range of patients and settings, addressing rates change based on the forementioned issues can alleviate existing challenges this arena.

#### ***Complexity of Care (Acuity)***

The concept of complexity of care is associated with nursing intensity, nursing work, nursing workload, patient acuity and severity of illness. 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 adult foster home-based care residents are increasing, and a higher level of acuity generally means an individual requires a higher level of care.

Patients that present with high acuity place significant demands on the provider and employees. For example, a patient with trach, G-tube feeding, and is paralyzed, requires not only higher level of care but also a higher level of expertise provided by an experienced Registered Nurse or

similarly trained and experienced health worker. Additionally, such a patient requires a 2-person full assist in repositioning every 2-3 hours and during toileting. Occasionally, I receive emails about such patients and but the reimbursement “base plus 1” and may be plus one complexity. Increase in acuity translates to increased labor costs which is the single largest cost in long term care delivery of services, consisting of 70% of the cost to provide long term care.

### ***Number and severity of ADLs***

Medicaid payments appear not to consider the severity of patients’ ADLs as compared to private pay patients. The severity of ADLs regarding private-pay patients plays a significant role in setting the rates. In each ADL, the severity is assigned either low or high and the rate at each end is pre-determined and shared with the client and the County. Such an approach would significantly improve how the State sets rates for Medicaid patients.

### ***Training and experience of provider***

In nursing homes, there’s a required ratio of nurses to patients. Appropriate nurse-to-patient ratios are associated with improved outcomes and fewer adverse events, complications, and hospital re-admissions. Optimal ratios can also reduce staffing and overhead expenditures. Translating this requirement to Adult Foster Homes, the homes that are ran/owned by Registered Nurses (or similar) qualify to be considered for higher rates because of their level of training and experience.

In conclusion, since labor is the single largest cost in long term care delivery of services, consisting of 70% of the cost to provide long term care, rising wages are creating challenges for many providers who operate on thin profit margins, who may be forced to increase their prices in the private market.

## **Restructuring payment methodology to increase base rates and to reduce need for exceptional payments**

In my opinion I don't support this motion because each patient has unique needs and determination of the exceptional rates is based on specific individual needs. Further, these rates are solely determined by the number of hours (one-on-one) the patient needs to receive the care he or she needs. To support an alternative payment methodology, I must be informed of its details. For example, when you say "to increase base rates" is by how much? What will it be based on? How will it be determined? Secondly, *propose, before these changes are implemented, they need to be circulated among the providers for their feedback*