



Service Employees International Union Local 503

72,000 public services workers, care providers, and non-profit employees in Oregon.

Senate Committee on Human Services

SB 105-1

March 29, 2023

Chair Gelser Blouin, Vice-Chair Robinson, and members of the Senate committee on Human Services,

For the record, my name is Alice Longley Miller and I am here to testify in support of SB 105 with the –1 amendment on behalf of SEIU 503.

Last year, the legislature passed SB 1548, which was intended to create a new Developmental Disability service provider type in Oregon called Agency with Choice. Implementation of Agency with Choice is currently delayed, and several fixes are needed to fully implement SB 1548 and establish Agency with Choice services. Section 1 of the proposed -1 amendment will modify the definition of AwC in Sb 1548 and give needed direction to ODDS to proceed with establishing Agency with Choice. Senate Bill 1548 also created new oversight and fiscal transparency, and the –1 expands on those requirements.

The goal of Agency with Choice is to promote self-direction and control for people enrolled in in-home supports. Right now, individuals who want to manage their workers can only do so through the OHCC and are required to take on significant administrative work, which can be a burden and a barrier to self-direction. With AwC, participants retain the autonomy of selecting and managing their staff while getting additional support in the overall management of direct support workers including recruitment and hiring, scheduling and training the direct support worker, performance assessment and dismissal.

For workers, an Agency with Choice model can offer a more supportive work environment. Right now, PSWs do not have access to HR and are stuck using cumbersome state systems to get onboarded and paid. They also do not currently have access to HR when problems arise. The state could better support these workers by expanding the scope of fiscal management services, which is what many states do for their state care provider workforce.

Our short-term goal for Agency with Choice is that ODDS contract with a provider to offer Agency with Choice services as an option to people in services and to begin improving employment related supports for state employed PSWs. Meanwhile, ODDS would develop Agency with Choice provider type where the AwC serves as the employer of record. In order to develop a robust program that meets the needs of people in services and support workers, ODDS needs to engage stakeholders in program design,

conduct rulemaking, and develop an RFP for the AwC program, which will take time. Because of the long timeline, it is necessary to pursue a short-term fix simultaneously.

Section 2 of SB 105-1 builds on the fiscal transparency requirements in SB 1548, requires provider agencies to disclose detailed compensation and benefits to employees, including executives, revenue sources, and all realized profits. Nonprofit providers may satisfy these requirements by submission of their completed federal 990 form.

The legislature recently invested in a new rate model for DD service providers and this industry is growing rapidly, with some agency providers receiving over \$100 million in reimbursements from ODDS in 2022. We believe the requirements established in SB 1548 (2022) are important, but will not result in adequate fiscal transparency, and importantly, do not guarantee access to this information in a timely manner. The new DD service rate model also includes generous assumptions about the benefits packages offered to direct service providers, and this bill would require that provider agencies report detailed benefits data to ODDS.

The Need for Fiscal Transparency for DD service providers.

Accountability: As the recipients of taxpayer funds, Medicaid providers have a responsibility to be accountable for how those funds are spent. By requiring them to report their realized profits, the government and the public can ensure that Medicaid providers are using taxpayer money effectively and efficiently.

Fairness: Medicaid is funded by taxpayers and when individuals or companies profit excessively from Medicaid participants, it can be detrimental to the sustainability of the state's Medicaid service system. It is important to remember that the people who rely on Medicaid services are low income, and many of the workers providing direct support to people with disabilities live in poverty. The state has an interest in ensuring Medicaid resources are not perpetuating poverty for some Oregonians while enriching a select few individuals and corporations.

Preventing Fraud and Abuse: The state and public entrust these providers to care for some of our most vulnerable citizens, but the fact is, the business of providing Medicaid services can be incredibly lucrative. In part because of Oregon's generous reimbursement rates in DD services, the state needs mechanisms to identify and prevent fiscal impropriety.

Improved decision making: Fiscal transparency can provide the government with valuable information to make funding decisions. This legislature often hears that provider agencies and nonprofits need more funding to provide quality services, and that is often true. It is also true that for profit entities are incentivized to maximize profit. Insight into provider finances will help legislators and agencies make difficult decisions about how to spend precious Medicaid resources.

We have been working closely with ODHS, but there are outstanding questions about the state's ability to contract these services and a desire to integrate further stakeholder input into the final legislation. It is critical for the success of Agency with Choice that the bill establishes reasonable timelines for implementation. For these reasons, we expect further amendments will be needed and request that this committee consider a referral to the Senate Committee on Rules.

Thank you for the opportunity to testify today,

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