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Date: March 17, 2025

To: Chair Grayber, Vice-Chair Elmer, Vice-Chair Muñoz, and Members of the Committee Gelser Blouin, Vice-Chair Linthicum and Members of the Senate Committee on Human Services

From: LeadingAge Oregon

Subject: Opposition to HB 3838

I'm pleased to acknowledge the dedicated workers who support aging services. I also appreciate the chance to highlight the challenges crippling our ability to keep up with the growing demand for housing, care and services for Oregon's older adult population.

There are more Oregonians aged 65+ than children under 18, a trend that is expected to accelerate. Seniors are also the fastest-growing demographic experiencing homelessness in Oregon, and their financial security is eroding. By the end of 2024, Americans aged 70+ held [1.63 trillion in debt](#), more than double what they owed a decade ago. Meanwhile, 60% of Americans can't afford four years in an assisted living facility – and this bill would have a tremendous financial impact directly on Oregon's seniors without any consideration or analysis of its consequences.

Doesn't Consider the Private Pay Impact

HB 3838 proposes to examine fiscal impact for the state on any standard the board imposes - this bill fails to require analysis on the fiscal impact to Oregon's private pay consumers, their families, and service providers, for any standard the board may choose to impose.

- Yet **private pay is the primary funding** source for CBC facilities - this isn't indicative of wealth in this population - rather a requirement - because Medicare and most private insurance plans do not cover assisted living, memory care, or other community-based services.
- In Oregon, [59%](#) of assisted living, residential care, and memory care residents are **private pay**, with an average annual cost of approximately \$80,000 per year.
- This bill will increase costs for consumers, making facilities unaffordable for a larger portion of seniors on fixed incomes and will force more people onto Medicaid, a fragile system already at risk.

Threatens Oregon's Continuing Care Retirement Communities (CCRCs).

HB 3838 fails to account for the complexities of staffing communities that provide multiple housing options and levels of care, including CCRCs.

All 12 of Oregon's CCRCs are nonprofit, charitable organizations— there are no shareholders – or other owners – only a mission to serve older adults. These providers operate on thin margins and will have no choice but to pass increased costs onto residents.

- 9 of the 12 Oregon CCRCs are 100% private pay.
- Of the 3 that accept Medicaid, it accounts for roughly 1% or less of their resident population.
- Many of these communities provide discounted care - using foundation resources, funded by residents - not the state. Many of these foundations also support staff and offer scholarships.

What happens when these private funds are depleted because a growing number of residents can no longer afford their monthly fees? This bill jeopardizes the financial stability of providers who support seniors without relying on Medicaid dollars.

Aims to fix a problem that employees in community-based care facilities haven't identified as an issue.

We already have staffing standards in our sector, and our existing labor laws are substantial, and workers maintain the right to unionize. Yet, 0% of employees in our nonprofit facilities and CCRCs have opted in. This bill positions a board to determine wages, benefits, and working conditions, without negotiations, to an employee base that hasn't sought representation.

Disproportionately harms nonprofit and mission-driven providers that have served their communities for decades.

Unlike for-profit businesses, nonprofits cannot significantly offset financial losses through unrelated business income.

A broken financial system - to which no solutions have been proposed - have squeezed this sector dry—there is nothing left to give.

This Bill Will be Detrimental to Private Pay Seniors – which is most of them - and the Organizations That Serve Them.

This bill does **not** fix a problem in community-based care facilities.

It will **not** improve care.

It will **not** expand the workforce.

It does **not** support employee choice.

It does **not** support providers.

It does **not** advance nonprofit charitable missions that help keep seniors **off** Medicaid.

I ask legislators to carefully consider who, or more specifically, what organization, stands to benefit from this bill at the expense of Oregon's most vulnerable population: seniors, people with disabilities, their families, and those who serve them.

Respectfully submitted,

Kristin Milligan
Chief Executive Officer
LeadingAge Oregon