



## **Medicaid Long Term Care Quality & Reimbursement Advisory Council**

Medicaid Long Term Care Quality and  
Reimbursement Advisory Council  
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Senator Wlnsvey Campos, Co-Chair  
Representative Andrea Valderrama, Co-Chair  
Joint Ways and Means Subcommittee on Human Services

RE: Medicaid Long Term Care Quality and Reimbursement Advisory  
Council Recommendations on SB 5526

Under ORS 410.555(4), the Medicaid Long Term Care Quality & Reimbursement Advisory Council (MLTCQRAC) is required to review the Governor's Recommended Budget (GRB) for the Oregon Department of Human Services (ODHS). The Council is statutorily provided with an advisory role on Medicaid reimbursement rates and their corresponding relationship to quality of care in nursing facilities, community-based care facilities, adult foster homes, and in-home care agencies. The Council would like to take this opportunity to provide recommendations on these issues as they relate to SB 5526.

The Council greatly appreciates the support that providers of long-term care services and supports (LTSS) received in the 2023-2025 biennium, providing a foundation for access to home and community-based services as Oregon recovers from the pandemic and older adults and people with disabilities seek long term services and supports. The cost of living (COLA) increases helped keep pace with increasing costs.

Further, retaining the temporary add-ons to the Medicaid reimbursement rate home and community-based providers during the 2021-2023 biennium

provided ongoing resources to sustain these services. Without those rate increases during the pandemic, and the COLA increases that followed, Oregon would have seen facility closures and a reduction in access to care, especially for seniors and people with disabilities living in rural areas of the state.

Going forward, the biggest challenge facing the long-term services and supports in community settings remains recruiting, hiring, and maintaining the direct care workforce. Wages will continue to increase as providers compete with other industries for a direct care workforce, and ongoing support is needed for providers to hire, train, and retain and promote the direct workforce staff. The barriers faced by rural providers have even more challenges to recruit and retain staff.

There are ongoing costs associated with health and safety protocols to ensure residents are safe and healthy, as well as for the staff who provide their care. Providers also incur costs to maintain regulatory compliance in order to provide quality care and maintain safety for residents.

In the Agency Request Budget (ARB), the Council saw investments proposed in the policy option packages (POPs) as a step toward meeting these challenges, including investments to provide for earlier onsite visits for newly licensed facilities and adult foster homes. The GRB retained this and other policy initiatives, as well as funding for restructuring the rates for adult foster home providers. The proposed funding would allow for a rate structure reflecting the actual acuity needs of adult foster home residents and minimize the need to provide exceptional rates for these high levels of supports.

However, the ARB and the GRB do not provide for a COLA increase for other community-based care providers over the next biennium, and the Council recommends an investment in COLA increases. This increase is recommended because of the trends of increasing wages to recruit and retain direct care staff and licensed staff, and to meet the growing costs of regulatory compliance (such as Home and Community Based Services (HCBS) regulations, Acuity-Based Staffing Tool requirements, newer regulations on kitchens, and forthcoming HCBS Access rules) to maintain resident safety and quality of care.

More specifically to workforce, this would be an investment in direct care worker wages and benefits. Additionally, this investment would provide resources for workers such as training and measures to have working environments that promote staff retention, to meet the growing demand for long term services and supports, as the residents served in community-based settings have even greater acuity needs as well.

Overall, the Council recommends that the state continue to invest in Medicaid long term care services and supports to address system capacity, staffing, and quality care. Measurable COLAs for Medicaid in the next biennium will be vital to keeping residents and staff safe and maintaining access to quality care and services, no matter where in the state older adults and people with disabilities live.

In making these recommendations, the Council has been grateful for the support providers have received over the past two biennia, without which critical services to older adults and people with disabilities would not have been possible. Thank you for your consideration of the Council's recommendation for the 2025-2027 Governor's Recommended Budget.