

Joint Committee on Ways and Means Subcommittee on Human Services

**Co-Chairs Campos and Valderrama, and Members of the Committee,**

Thank you for the opportunity to submit this written testimony from the perspective of Adult Foster Home providers across Oregon. We're asking for your support in preserving and strengthening the unique care our homes provide. AFHs support seniors and people with physical disabilities as well as individuals with intellectual/developmental disabilities and adults with mental health. AFHs are not facility care—we offer our *homes*, where some of Oregon's most vulnerable residents live as part of our family. Unlike larger institutional settings, AFHs offer personalized, round-the-clock care in small, home-like environments. The unique AFH model is not only cost-effective for the state but also delivers better outcomes for residents who thrive in stable, familiar settings. Yet, without adequate funding, our small but critical part of Oregon's long-term care system is at risk.

**Why AFHs Are Unique and Worth Investing In:**

1. **Homes, Not Institutions:** AFHs care for 5 or fewer residents, blending support with the warmth of a family home. For seniors and people with disabilities—especially those with dementia, mental health needs, or complex medical conditions—this stability is irreplaceable. Research shows that small-home settings improve quality of life, reduce hospitalizations, and delay the need for more expensive care.
2. **Cost-Effective Care:** AFHs save the state money. Our model avoids the high overhead of larger facilities, and our 24/7 care helps prevent costly crises. Without adequate rates and proper support, though, providers are leaving the field, pushing residents into higher-cost settings.
3. **Workforce Challenges:** AFH providers are caregivers, cooks, companions, housekeepers, therapists, and care coordinators—all in one. But stagnant reimbursement rates make it impossible to compete with other sectors. Many providers like us earn less than minimum wage when accounting for unpaid hours. We need funding to recruit and retain caregivers who see this work as a career, not just a job.

**What We're Asking For:**

- 1) **Fair Reimbursement Rates** that reflect the true cost of care, including rate increases for us as providers and our staffing needs. Current rates don't reflect rising costs for housing, supplies and 24/7 care. We need the Legislature to support and prioritize funding House Bill 2560, which will help address some of these challenges. Proper funding is essential to:

- a. Pay living wages
  - b. Recruit/retain qualified staff
  - c. Keep our homes open for vulnerable adults
- 2) **Training and Support Funds:** The growing complexity of residents' needs—especially those with dementia, behavioral health challenges, or multiple chronic conditions—requires specialized skills that many AFH providers struggle to access without state support. Training and Support Funds would allow AFHs to:
- a. **Address rising acuity** by covering costs for dementia care certification, medication management training, or trauma-informed care programs—ensuring residents can age in place safely, rather than being forced into costlier facilities.
  - b. **Cut bureaucratic red tape** by funding streamlined training portals (e.g., online modules tailored to AFHs) instead of forcing providers to navigate disjointed systems or pay out-of-pocket for courses.
  - c. **Reduce turnover** by creating career pathways for caregivers who often leave due to burnout or low wages.
- 3) **Preservation of the AFH Model** by rejecting institutional-style regulations (like excessive paperwork or unfunded facility upgrades) that force small AFHs to close or convert to costlier settings. Policies must account for AFHs' unique family-like environment—not treat us as larger facilities.

When you fund AFHs, you're investing in a proven model that keeps Oregonians where they do best: at home, in their communities. We urge you to prioritize AFHs in your budget decisions—not just for our sake, but for the thousands of residents who depend on us. Thank you for your time and consideration.

In it together,

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