



Oregon

Theodore R. Kulongoski, Governor

June 2, 2008

The Honorable Peter Courtney, Co-Chair
The Honorable Jeff Merkley, Co-Chair
State Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Department of Human Services

Office of the Director

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Dear Co-Chairpersons:

Nature of the Report

The 2007 Oregon Legislature directed the Department of Human Services (DHS) to report its progress on its comprehensive and on-going planning efforts for the long-term care system for seniors and people with disabilities to the Emergency Board by June 30, 2008, and to the 2009 Legislative Assembly. These planning efforts are a continuation of the department's May 2007 draft report, *Recommendations on the Future of Long Term Care in Oregon*.

This update highlights activities from the close of the 2007 Legislative Assembly to the most recent preparations for a public presentation to the Joint Interim Committee on Seniors Services, June 11, 2008.

Agency Action

At the close of the 2007 Legislative Session, the Legislature created Interim Committees in both the Senate and House to address the needs of seniors and people with disabilities. This action assisted the department in its efforts to gain support for a focused effort to prepare for the growing numbers of Oregonians that are seeking supports and services to remain independent in their own home communities.

In addition to holding several public hearings, the chairs of each committee, Senator Bill Morrisette and Representative Jean

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Cowan, met several times with representatives of key senior and disabilities stakeholder groups to prioritize critical issues for potential inclusion in the long-term care planning effort. These efforts culminated in the passage of Senate Bill 1061 in the 2008 Supplemental Session. Senate Bill 1061 codifies planning directives to DHS, including the policy note to which this report responds, as well as additional issues identified by the Interim Committees along with stakeholder input.

DHS has worked closely with external stakeholders and advocates to draft a plan for long-term services for seniors and people with disabilities. Stakeholders include Area Agency on Aging (AAA), local government, key provider associations, organized labor, and representatives from advocacy groups who represent seniors and people with disabilities. In addition to the ongoing stakeholder meetings led by Senator Bill Morrisette and Representative Jean Cowan, the department's planning efforts include both large stakeholder work sessions and smaller topic focused workgroups to develop aspects of the plan.

Plan Highlights and Actions Taken:

- **Non-Medicaid System:** DHS has been working closely since the fall of 2007 with the AAAs to design a robust information, referral and assistance network for Oregonians and their families. The system includes a central call center, AAA local assistance centers and an expanded set of direct services and resources to help people remain independent, healthy, and safe. Oregon's Aging and Disability Resource Network (ADRN) is being modeled after the national effort to develop Aging and Disability Resource Centers (ADRC) in every state.
- **New Reimbursement Methods:** To ensure that Medicaid-eligible clients will have access to community based services, it is essential that providers be adequately compensated for the services they provide. Senate Bill 1061

during the February 2008 session directed Seniors and People with Disabilities (SPD) to create a reimbursement structure that is competitive with the private sector in a geographic area and attuned to the individual's acuity level. DHS executed a contract with an experienced vendor to conduct a private market rate study for long-term care facilities. This study will allow SPD to measure the true discrepancy between Medicaid and private reimbursement rates. At the same time SPD convened a large stakeholder workgroup to advise DHS on the development of a new rate structure.

- **Waiver and State Plan Options:** The Deficit Reduction Act (DRA) has allowed DHS to offer home and community based services under Medicaid state plan options. A new section of the Social Security Act (1915 j) allowed Oregon to seek approval for new State Plan J Option, in Oregon known as Independent Choices, a cash and counseling program. It allows clients to "cash out" their Medicaid benefit and pay the caregiver directly and to purchase other services. Another State Plan Option (1915 i) would allow seniors and people with disabilities, up to an income of 150 percent of federal poverty level, to access community based services even if they do not require institutionalized levels of care. DHS is considering the State Plan I option to facilitate the diversion and transition of certain individuals with mental health needs. Another option is development of Model Waivers that serve up to 200 clients with specific conditions or disabilities.

DHS has also been working on a number of other initiatives as part of the long-range plan effort.

- **Money Follows the Person:** DHS has received federal funding to implement the Money Follows the Person grant, known as Oregon's On the Move Program. This effort helps individuals who have the desire to leave nursing

facilities, and to live and receive services in their own home communities.

- **Real Choices:** DHS will request permission to apply for the Real Choices Systems Change grant in July of 2008. The grant allows for the development of person-centered hospital discharge planning for individuals and their families through a coordinated systems approach to information and services. An optional section in the grant will allow funds to develop the Aging and Disability Resource Center (ADRC) for Oregon. This funding will help support the planning and early development of the ADRN.
- **Healthy Living:** DHS, with a recent grant approval, is implementing a Healthy Living program for seniors and people with disabilities that focuses on living well with chronic conditions.
- **Quality of Care:** The plan will include a focus on abuse prevention, training and monitoring programs to improve the quality of care for seniors and people with disabilities who receive services in community settings.
- Anticipated future activities include fall workgroups on topic areas such as: **Workforce development, housing options, assistive technology and transportation.**

DHS will continue planning over the next several months in consultation and input from stakeholders. A fully developed plan, budget requests, and a time line will be presented at the 2009 Legislative Assembly.

Action Requested

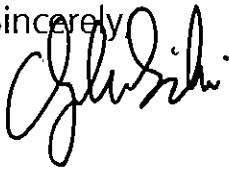
For the Emergency Board to accept receipt of this report. In addition, DHS will submit an update to this report to the 2009 Legislative Assembly.

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Page 5 of 5

Legislation Affected

SB 1061, passed during the 2008 Supplemental Session, codifies planning directives to DHS, including the budget note to which this report responds, as well as additional issues identified by the Interim Committees along with stakeholder input.

Sincerely,

A handwritten signature in black ink, appearing to read "Clyde Saiki". The signature is written in a cursive style with a large initial "C".

Clyde Saiki,
Deputy Director of Operations

cc: John Britton, Legislative Fiscal Office
Sheila Baker, Legislative Fiscal Office
Eric Moore, Department of Administrative Services
James Toews, Department of Human Services