



Oregon

Kate Brown, Governor

Department of Human Services

Office of the Director
500 Summer St. NE, E-15
Salem, OR 97301-1097
Voice: 503-945-5600
Fax: 503-581-6198
TTY: 503-945-5896

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TO: Legislative Assembly

FROM: Ashley Carson Cottingham, Director
Aging and People with Disabilities
Department of Human Services
503-947-1100 / ashley.b.carson-cottingham@state.or.us

The Department of Human Services is pleased to submit this report on capacity of adult residential care facilities and adult foster homes under ORS 443.424.

The Department has concluded that access to adult community-based care is experiencing significant risk.

Adult foster home utilization is down by 5.4% from the same period one year ago. This is caused by a decrease of approximately 100 homes.

Possible reasons for the decrease in adult foster homes include:

- A shift in adult foster home provider preference to serve individuals in the Intellectual/ Developmental Disabilities and Addictions and Mental Health programs.
- The rates for providers in the Aging and People with Disabilities Program.
- The overall rise in housing costs making provider viability more difficult.
- Adult foster home providers retiring and not being replaced by new adult foster care owners.

The 2019 Legislative Assembly approved a substantial rate increase intended to stabilize this situation. Rates for adult foster home providers will increase by 10% on January 1, 2020 and an additional 4% on July 1, 2020.

Access to other adult community-based care settings such as residential care, assisted living and memory care is showing signs of pressure. To maintain continued access to these vital services, the 2019 Legislative Assembly approved two rate increases for this class of providers in the 2019-21 biennium. Rates

increase by 5% effective July 1, 2019 with a second 5% increase effective July 1, 2020.

The Department and industry representatives are working together on opportunities to collect financial information from community-based care providers and to collect the vital information to support informed rate decisions.

In summary, continued strong access to community-based care is critical for the overall success of Oregon's long-term care system. We are monitoring the situation closely.

Please let me know if you have any questions or concerns.

cc:	Ken Rocco	Gina Rumbaugh	Kevin Hayden	Rick Berkobien
	Laurie Byerly	George Naughton	Tamara Brickman	Fariborz Pakseresht
	Eric Moore	Cynthia Stinson		