



**Weathering the Storm: The Impact of the Great
Recession on Long-Term Services and Supports**
State Profile: OREGON

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INTRODUCTION

Weathering the Storm: The Impact of the Great Recession on Long-Term Services and Supports is the most comprehensive analysis to date on the budget cuts to both Medicaid and non-Medicaid funded long-term services and supports (LTSS) in each state. It also illustrates state-by-state how LTSS are financed. In addition, this study provides a very early snapshot of the likelihood of states pursuing some of the LTSS provisions within the Affordable Care Act (ACA).

Weathering the Storm contains several components:

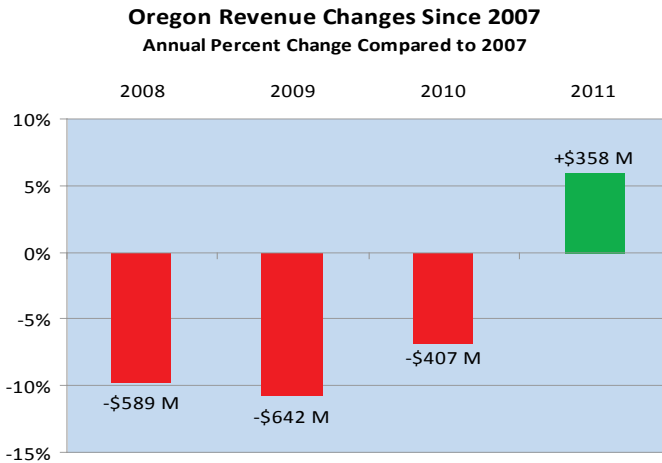
- The full report with an overview of findings and state-by-state tables;
- State profiles, which are 4 to 5 pages in length, for each state that participated in the study;
- An In Brief, which is a short synopsis; and
- A videotaped interview about the key findings.

Hard copies of *Weathering the Storm* are available free of charge. To order, please call the AARP Public Policy Institute at (202) 434-3890 or email jgasaway@aarp.org.

All of the components of *Weathering the Storm* are also available on the web and can be found at www.aarp.org/ppi, www.nasuad.org, and www.healthmanagement.com.

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TAX COLLECTIONS



Source: HMA analysis of state tax collection data from the National Association of State Budget Officers (NASBO), Spring Fiscal Survey of States, 2008 (for baseline 2007 data); Spring Fiscal Survey of States, 2009 (for 2008 data) and Spring Fiscal Survey of States, 2010 (for 2009 actual, 2010 estimated, and 2011 projected). Revenue represents the following taxes if collected by the state: **Personal Income, Corporate, and Sales**. Percent change and change in amount collected (in millions) represents the divergence between the state fiscal year noted and baseline SFY 2007.

ARRA FUNDING

IMPACT OF ARRA ENHANCED MEDICAID FMAP EXPIRATION

- Oregon anticipates reductions in benefits, provider rates, staffing, and elimination of optional services once the enhanced FMAP expires.

PREDICTED IMPACT OF THE EXPIRATION OF THE ARRA NUTRITION FUNDING

- Too soon to tell, but caseloads have increased 10 to 15 percent since SFY 2009.

STATE UNIT ON AGING AND DISABILITY (NON-MEDICAID) SERVICES

STATE UNIT ON AGING NUMBER SERVED (UNDUPLICATED)

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (projected)	% Change SFY 2009–2011
399,566	400,000	400,000	0%

STATE UNIT ON AGING TOTAL EXPENDITURE REDUCTIONS – ACTION TAKEN

SFY 2009–2010	SFY 2010–2011
21%–25%	21%–25%

STATE UNIT ON AGING SERVICE DEMAND AND EXPENDITURE CHANGES

Program	Change in Expenditures		Change in Service Requests
	SFY 2009–2010	SFY 2010–2011	SFY 2009–2010
Adult Foster Care		-	0
Adult Day Care	0	0	0
Adult Protective Services*	0	0	+
Assisted Living	0	-	
Behavioral Supports	0	0	0
Case Management	0	0	0
Chore	0	0	-
Community Transition	0	0	0
Congregate Meals	0	0	-
Day Habilitation	0	-	0
Disease Prevention/Health Promotion	0	0	0
Elder Abuse Prevention	0	0	0
Environmental Modifications	0	0	0
Equipment and Supplies	0	0	0
Family Caregiver Support	0	0	0
Food Stamps/Supplemental Nutrition Assistance Program			+
Foreclosure Counseling	0	0	+
Homemaker	0	-	-
Home-Delivered Meals	0	-	-
Housing Assistance			0
Information and Referral	0	0	0
Legal Assistance Development	0	0	0
LIHEAP			+
Long-Term Care Ombudsman	0	0	-
Nutritional Supplements	0	0	0
Occupational Therapy	0	0	0
Personal Care/Assistance	0	-	0
Physical Therapy	0	0	0
Recreational Therapy	0	0	0
Residential Habilitation	0	0	0
Respite	0	0	0
Senior Community Service Employment Program	0	0	0
Senior Centers	0	0	0
Speech Therapy	0	0	0
State Adult Guardianship Program	0	0	0
State Pharmaceutical Assistance	0	0	0
Supported Employment	0	0	0
Supported Living	0	0	0
Transportation	0	0	0
+ Expenditure/demand increase	0	No change in expenditure/demand	DK Don't know
- Expenditure/demand decrease	NA	Program not administered by SUA	

* Since SFY 2009, the State Unit on Aging has received increased calls for Adult Protective Services, e.g., financial exploitation, physical abuse, neglect, and emotional abuse.

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STATE UNIT ON AGING NON-MEDICAID HCBS EXPENDITURES

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (appropriation)	% Change SFY 2009–2010
\$6,053,306	\$4,787,496	\$4,000,000	-21%

MEDICAID LONG-TERM SERVICES & SUPPORTS

NUMBER OF BENEFICIARIES: WAIVERS & NURSING FACILITIES

Waiver Name	Avg. Daily Caseload			% Change
	SFY 2009	SFY 2010	SFY 2011 (planned)	SFY 2009–2010
Aged and Physically Disabled HCBS Waiver	21,195	22,783	23,197	7%
Nursing Facility Services		Avg. Daily Census 2010		Expected Change 2011
NF Average Daily Census*		4,764		Decrease

- Money Follows the Person and 65 diversion staff in Medicaid offices, Critical Access Hospitals (CAHs), and Area Agencies on Aging (AAAs) statewide help to keep nursing facility census on the decline.

LTSS EXPENDITURES (FEDERAL AND STATE)

Service	SFY 2009	SFY 2010 (Estimate)	SFY 2011 (Appropriation)	% Change SFY 2009–2010
HCBS Waivers (For Older People and Adults with Physical Disabilities)	\$408,000,000	\$449,000,000	\$421,000,000	10%
Medicaid LTSS State Plan				
Nursing Facility*	\$334,000,000	\$330,000,000	\$330,000,000	-1%

- Appropriations in SFY 2011 for nursing facilities are the same as 2010 expenditures because, despite a rate increase, the census is expected to decrease, so no additional funds will be needed.

LTSS PROVIDER PAYMENT RATE CHANGES

Provider Type	SFY 2009–2010 % change	SFY 2010–2011 % change
Nursing Home*	+5.1%	+1.84%
Home Health	0	0
Personal Care Services	0	0
HCBS Waiver Services	0	0
+ Provider rate increase - Provider rate decrease 0 No change in provider rate		NA Not applicable

- The rate-setting methodology is in statute for nursing facilities, with rebasing or an inflationary adjustment occurring each year (SFY 2010 was a rebasing year and SFY 2011 will have an inflationary adjustment).

OPTIONS, OUTLOOK, AND PROMISING PRACTICES

The Medicaid agency and State Unit on Aging were asked about their intent to pursue options under health care reform, to provide their thoughts on the outlook for LTSS, and to share promising practices in their state. This section combines information from both agencies if both agencies responded.

See the Overview for descriptions of these provisions.

State's Intent to Pursue LTSS Provisions in the Affordable Care Act	Very Likely	Somewhat Likely	Not Likely	Don't Know
State Balancing Incentive Program			X	
Community First Choice Option		X		
Money Follows the Person Demonstration				
1. Apply for new program				
2. Apply for extension of existing program	X			
Medical/Health Home Initiative				
1. Agency applying for planning grant		X		
2. State plan amendment to establish medical/health home services		X		
3. Apply to establish community health teams				X

STATE PRIORITIES: 18–24 MONTHS

- Building out the Aging and Disability Resource Centers.
- Blending and bundling acute and long-term services and supports to address the expense for people who are dually eligible for both Medicare and Medicaid coverage.

STATE ISSUES

- State budget shortfall.
- The strategy of cutting back, yet maintaining enough of the existing infrastructure to rebuild when the economy improves.

STATE PROMISING PRACTICES

- Home care program that assists individuals with high acuity.

The information in this profile represents information available to state officials at a point in time. Surveys were conducted from June through September 2010. Oregon's fiscal year begins July 1 and ends June 30.