O4AD Statement on the 2017-19 Ways & Means Co Chairs Targeted Budget Reductions

April 21, 2017. O4AD, the Oregon Association of Area Agencies on Aging and Disabilities, released the following statement regarding the release of the Co-Chairs Budget Reductions list:

“O4AD is deeply concerned that the Oregon Project Independence (OPI) program continues to be targeted for deep reductions in program services to vulnerable seniors and complete elimination for younger people with disabilities. The Co-Chairs Targeted Reductions puts forward:

- 50% reduction in the OPI program serving seniors. This program has served over 4,000 older adults in this current biennium.
- Elimination of the OPI Pilot Project for younger people with physical disabilities. This would cut over 250 people with disabilities off these services.

OPI has been a proven cost effective program for the state since its inception. Serving consumers at an average of $332 per month realizes significant savings for the State. With over 96% of all consumers on OPI eligible for Medicaid, a reduction or elimination of services would force these individuals to move onto more costly care. Medicaid in-home services will cost the state an average of $803 in State General Fund and continues upward to over $3,000 for Medicaid nursing facility care. A reduction or elimination of services will immediately increase the overall State General Fund expenditures and provide the State not only with no cost savings but a significant cost increase in State General Funds.

Further, elimination of the Oregon Project Independence program for younger people with disabilities brings serious questions regarding equity in service provision to the forefront.

OPI has proven cost effective and efficient in helping individuals remain as independent as possible and in their own home and community. A one-of-a-kind model, OPI works with individuals to help them delay or defer potential entrance into costlier Medicaid funded services or an unnecessary move into facility based care.

O4AD will aggressively work to insure the protection of this program and funding for Oregon’s seniors and people with disabilities. We call for the reversal of this proposal and the prioritization of Oregon Project Independence to protect the independence, dignity, choice and safety of Oregon’s seniors and people with disabilities.

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State General Fund Cost Comparison – Long Term Services and Supports*:

- OPI - $332 State General Fund per month per individual served
- Medicaid In Home Services - $803 State General Fund per month per individual served plus Oregon Health Plan costs
- Medicaid Community Based Care - $846 State General Fund per month per individual served plus Oregon Health Plan Costs
- Medicaid Nursing Facility Care - $3,186 State General Fund per month per individual served plus Oregon Health Plan costs

For 12 months of services in Oregon Project Independence, the average State General Fund cost per individual served is $3,900. For 12 months of service, the average State General Fund cost per individual served in a nursing facility under Medicaid is $38,016.

* February 2014 Department of Human Services