



## O4AD Statement on the 2017-19 Oregon Governor's Budget

**December 12, 2016** - O4AD, the Oregon Association of Area Agencies on Aging and Disabilities, issued the following statement on the release of the 2017-19 Governor's Budget:

O4AD is gravely concerned with the proposal contained within the 2017-19 Oregon Governor's Budget which calls for the severe reduction of the Oregon Project Independence Program serving vulnerable seniors and the elimination of the Oregon Project Independence Pilot Project serving younger people with physical disabilities. The Governor's Budget calls for:

- 75% reduction in the OPI program serving seniors which would potentially eliminate over 2,000 seniors from these critical services.
- Elimination of the OPI pilot project for younger people with physical disabilities. This would cut 290 people with disabilities off these services.

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. For seniors receiving OPI services, over 96% are financially and/or functionally eligible for Medicaid but choose OPI. OPI consumers do not receive coverage under the Oregon Health Plan, also an additional savings for State budgets.

With this proposed elimination of services, many of the seniors and people with disabilities served would have few choices other than to move into Medicaid. Average Medicaid costs are significantly higher in overall General Fund expenditures per individual served and will have a higher overall negative impact to State budgets and current fiscal crisis (please refer to attached cost comparisons). OPI serves individuals at approximately \$350 per month in State General Fund versus Medicaid Nursing Facility care costs of approximately \$3,186 in General Fund per month plus Oregon Health Plan costs. This proposal would also impact Home Care Workers who are providing services to these individuals.

O4AD will aggressively work to insure the protection of this program and funding for Oregon's seniors and people with disabilities. Working with our allies and stakeholders, we call for the reversal of this proposal contained within the Governor's 2017-19 budget 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 - \$350 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, the average State General Fund cost per individual served is \$4,200. For 12 months of service, the average **State General Fund cost** per individual served in a nursing facility under Medicaid is **\$38,016**.

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\* February 2014 Department of Human Services