



## **SB 1532-A increases costs for seniors and people with disabilities**

The Oregon Health Care Association represents more than 700 providers of long-term care services, caring for **tens of thousands of seniors and people with physical disabilities each day.**

**We employ more than 40,000 Oregonians;** some earn the current minimum wage, but most earn more. **Labor accounts for roughly 70% of our fixed operating costs.**

A study by the Northwest Economic Research Center at Portland State University, led by former state economist Dr. Tom Potiowsky, quantifies the increased labor costs in our sector that will result from SB 1532-A. The study found that SB 1532-A will increase the cost of providing long-term care by **more than \$436 million over the next six years** (before accounting for compression effects or FICA, workers comp, etc).

It is nearly impossible to substantially reduce operating budgets without sacrificing the quality of care or being out of regulatory compliance. Almost half of our members are located within the Portland urban growth boundary, where SB 1532-A imposes the highest increases in costs.

This measure risks pricing middle class seniors out of senior housing, assisted living communities and in-home care services. And without significant support from the State through increased Medicaid reimbursement in future bienna, low income seniors could be denied access to long term care services and supports.

**A summary of the results of the PSU study are attached. The final report will be released to the Legislature upon completion.**