

Cathy Cooper  
Authorized Signature

**Number:** SPD-IM-08-018  
**Issue Date:** 2/25/2008

**Topic:** Licensing

**Subject:** Gradual Withdrawal Contracts for Assisted Living Concepts

**Applies to (check all that apply):**

- |                                     |                               |                                     |                                      |
|-------------------------------------|-------------------------------|-------------------------------------|--------------------------------------|
| <input type="checkbox"/>            | All DHS employees             | <input type="checkbox"/>            | County Mental Health Directors       |
| <input checked="" type="checkbox"/> | Area Agencies on Aging        | <input type="checkbox"/>            | Health Services                      |
| <input type="checkbox"/>            | Children, Adults and Families | <input checked="" type="checkbox"/> | Seniors and People with Disabilities |
| <input type="checkbox"/>            | County DD Program Managers    | <input type="checkbox"/>            | Other (please specify):              |

There are a number of community-based care facilities that have entered into Gradual Withdrawal contracts with the State of Oregon in which they continue to serve current Medicaid clients, but do not take new Medicaid clients. Typically Gradual Withdrawal contracts are entered in to for a two year period. Providers have the option to renew the Gradual Withdrawal contract every two years and most do so.

Assisted Living Concepts (ALC) entered into Gradual Withdrawal contracts in 17 of their facilities in February, 2007. An Oregonian article on February 12, 2008 in which ALC's CEO, Laurie Bebo was interviewed, was noted as saying that ALC intends to pull all of its 17 assisted living facilities out of the Medicaid program by February 2009. Currently, ALC's Medicaid gradual withdrawal contracts are set to terminate on January 31, 2009.

We are advising you of this for two reasons:

1. In the event that you receive questions from clients and family members, please assure them that SPD is aware of ALC plans and that ALC has been advised of the requirement for timely notice and need for thoughtful discharge planning of Medicaid clients. ALC has previously expressed its willingness to provide 30 days move-out notices to their Medicaid clients as required by rule and may give more notice. Please refer clients and families to their particular facility administrator for answers to more detailed questions.
2. At some point later this year, we must begin assisting clients to relocate. We wanted you to know about this so that planning for this additional workload can begin now. We will collaborate with Program Managers beginning in the Fall to make this transition as easy as possible for clients.

If you or your clients have any questions regarding this matter, please contact:  
Jan Karlen at 503-945-6918, email [Jan.Karlen@state.or.us](mailto:Jan.Karlen@state.or.us) or  
Judy Giggy at 503-947-1149, email [Judy.Giggy@state.or.us](mailto:Judy.Giggy@state.or.us).

*If you have any questions about this information, contact:*

<b>Contact(s):</b>	Jan Karlen		
<b>Phone:</b>	503-945-6918	<b>Fax:</b>	503-378-8966
<b>E-mail:</b>	<a href="mailto:Jan.Karlen@state.or.us">Jan.Karlen@state.or.us</a>		