

**Testimony Before the
House Health and Human Services Subcommittee
House Bill 166**

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Chair Carruthers, Ranking Member Liston, and members of the subcommittee, my name is Debbie Jenkins and I am here representing the Ohio Health Care Association. Our association represents providers of long-term services and supports including assisted living communities, home care and hospice agencies, skilled nursing facilities, and providers who serve people with intellectual and developmental disabilities.

I appreciate the opportunity to speak with you today regarding House Bill 33 and specifically the section of the budget for the Department of Developmental Disabilities. OHCA is very grateful to Governor DeWine and Director Kim Hauck for their budget proposal. The proposed rate increases included in the executive version of the budget recognize the direct care workforce crisis and set a foundation for beginning to address the issue.

Ohio's Developmental Disabilities (DD) system has historically struggled to recruit and retain a compassionate and quality workforce due to low Medicaid reimbursement rates. DD services are solely reliant on Medicaid funding, which currently is based on an average direct support professional (DSP) wage of around \$13-14 per hour. In the current job market, this is not sufficient to offer competitive wages, especially considering the tough demands of the position. In comparison, the state has increased the starting wage for their staff doing this same work to \$20/hour.

Director Hauck has shared the impact of the workforce crisis on these critical services. She shared that the number of people served by agencies providing home and community-based services grew at a rate of about 1000 people per year from 2014 to 2018. However, today, those same agencies serve approximately 2000 fewer people

than they did in 2019. Based on the historical growth trend, home, and community-based agencies are currently serving about 5000 fewer people than expected.

The impact on ICF providers is very similar. Based on data received from DODD, in state fiscal year 2017, there were 5,213 people residing in ICFs. In December of 2022, that number was down over 20% to just 4,125 residents.

Many DD providers have had to reduce the number of people they can serve based on the availability of staff. Other providers have closed homes or stopped providing certain services. Our OHCA members have reported receiving almost daily calls or emails asking if they can serve someone in need. Some families are desperate for support and unfortunately, providers are unable to meet their needs.

In a survey of Ohio DD providers last fall, we found:

- 77% of providers have indicated they are forced to turn away new referrals due to staffing shortages.
- 68% of surveyed providers indicate they have had to turn away or discontinue services to those with higher support needs due to staffing shortages.
- 76% of providers are unable to fulfill all authorized hours as a result of staffing shortages.
- 76% of Ohio's DD Providers are struggling to achieve quality standards due to staffing shortages.
- 50% of providers indicated they were forced to consolidate homes or service sites as a result of the workforce shortage.
- 72% of providers have had to utilize one-time funds, foundations, fundraising, and alternative revenue streams in order to maintain operations and services.
- 62% of providers indicated they would be forced to discontinue operations and all services within 5 years without any additional relief.

These responses are in line with national survey results in [ANCOR's The State of America's Direct Support Workforce Crisis 2022.](#)

To give you an understanding of the impact of the DD workforce crisis on providers, I'd like to share a couple of stories from some of our members. We have a member right here in Central Ohio who provides home and community-based residential, day & employment services as well as operates ICFs. This agency has had to stop providing group and individual employment supports and has had to terminate or drastically reduce the level of services at many of its supported living locations. They currently serve 142 fewer people than they did prior to the pandemic. You may think this is because people just don't need services, but that is not the case. During 2022, this provider had to turn away 383 people needing waiver services and another 41 people looking for ICF placement.

We have another member in the Cleveland area who has 140 shifts per week that have to be filled by DSPs working overtime or management staff working direct care due to staffing vacancies. In 2021, this provider had to terminate waiver services to 6 homes that had 4 residents each. One of those was home to three siblings who need assistance in every area of their life, from bathing to dressing and being transferred to their wheelchairs. They are non-verbal but had thrived with the assistance of their staff. Unfortunately, they were unable to find a provider who was able to consistently provide the level of staff they need and within six months of our member having to stop providing their services, the three siblings were in the hospital with malnourishment, dehydration, bed sores, and sepsis. All three were in the hospital for a month and while this provider was able to increase capacity at one of their ICFs to take them back, one of the siblings' needs were so severe that she had to spend another month at a nursing home before she was medically able to move to the ICF.

This same member is part of a provider collaborative in the Cuyahoga county area, along with some of our other members and non-member agencies. That collaborative created an Employee Resource Network. The employee resource network employs a Success Coach who works with DSPs to help address challenges they encounter which impact their ability to be successful in their role as a DSP.

Last summer, their success coach was working with about 50 DSPs. Of those, 12 were homeless. The success coach shared, "People like to work doubles because it keeps them off the streets in warmth or air conditioning." Think about that. These are people who are working a full-time job, caring for people with developmental disabilities and the wage is so low they can't afford housing.

The success coach was working with another 9 staff to address domestic violence issues. The employee resource network also helps DSPs address the lack of child care, transportation, food assistance, health issues, and more. Director Hauck shared in her testimony that 44% of direct support professionals are receiving public assistance with 32% on Medicaid and 25% receiving food and nutrition assistance. Most of the challenges facing DSPs are directly related to the low wage the current Medicaid rates support.

The majority of our members, and DD providers across Ohio, are struggling to attract and retain staff. Employee surveys, exit interviews, state-wide DSP surveys, and DODD-supported forums have all identified the rate of compensation as the number one barrier to hiring and retaining staff who otherwise have a passion for supporting people with developmental disabilities. However, we have had a few agencies who have utilized one-time funds, from foundations, donations, or other sources, to increase wages. We have a member in Medina County who increased their starting wage, starting – not average wage, to \$18 an hour. The provider stated, "Since increasing our wages we have been successful with recruiting new people, many coming from referrals from current staff who are happy with their employment." However, increasing starting wages also requires an increase in wages for long-term employees causing their average DSP wage to be right around \$20 an hour.

This provider and the few others across the state who raised wages in order to compete for staff have taken a leap of faith. If Medicaid reimbursement rates are not increased, these organizations won't be able to sustain the wages and will have to make tough decisions to reduce services or potentially close their doors. The first member I mentioned, right here in Central Ohio, has estimated that without increased

funding, their organization will only be financially viable for 18-24 months. That's within the timeframe of this biennial budget and this provider is not unique; we are hearing this same timeframe from other DD providers.

Stabilizing Ohio's DD system of support will require a major investment in Medicaid service reimbursement to allow providers to compete, recruit and retain quality Direct Support Professionals. Today, Medicaid reimbursement rates for DD services support an average wage of about \$13-14 an hour. That is an average wage, not a starting wage. However, in today's market, the average wage included in the Medicaid rates needs to be around \$20 an hour to compete with other industries. That has been shown by providers who have raised wages and by the wage the State pays for their staff doing the same work.

So, how do we get there? The introduced version of House Bill 33 is a great start but doesn't get us to the \$20 an hour average wage.

House Bill 33 includes a 16.5% increase for residential waiver services and a 10% increase for day, employment, and transportation waiver services. To get the wage up to \$20 an hour, those services would need a 50% rate increase.

The ICF program is a little different as it is a cost-based reimbursement model. However, in order to raise wages, ICF providers will need an upfront investment. House Bill 33 does this by creating a professional workforce development payment of 6.5% of the ICF's direct care costs. To reach the \$20 an hour mark, the professional workforce development payment needs to be a 40% add-on to the direct care component of the rate.

We know some of you may have concerns with ensuring funding appropriated for services actually goes to increasing DSP wages. That same concern was raised during the state fiscal year 2020-2021 budget when the legislature provided an increase for homemaker/personal care. Our associations worked with the Department of Developmental Disabilities to create a DSP Compensation Survey. In 2020, a sample of

agencies providing residential waiver services was selected to complete the survey. In 2021, all agencies providing homemaker/personal care were required to complete the survey. DODD published the [2021 DSP Compensation Survey Summary](#) on its website. The survey showed that in 2021, the average regular wage was \$13.72 an hour which was higher than the average wage in the reimbursement formula - \$13.23 in 2021. The survey also showed that total DSP compensation averaged \$18.96 an hour, \$1.76 more than the \$17.20 total compensation amount in the Medicaid rate. This survey can easily be expanded to include adult day and employment services. The ICF program requires annual cost reports to be submitted that include salary, employee-related expenses, and the number of hours worked. The DD system has the tools to continue to ensure that DSPs are receiving the wages supported by Medicaid funding.

People with developmental disabilities rely on the services and supports they receive from their direct support professionals. When staff are not available, the impact on their lives and the lives of their family is tremendous and often life-threatening. People should be able to receive support in the setting of their choice, which is why DSPs in all services should be compensated at a rate that is commensurate with their responsibilities and shows them the work they are doing is valued.

We know you have your work cut out for you in this budget process, but we respectfully ask you to invest in these vital services for so many Ohioans and ensure Medicaid reimbursement rates support the \$20 an hour average wage.

Thank you for your time and I am happy to answer any questions you may have.