

Health Policy Commission Cost Control Public Hearing Testimony

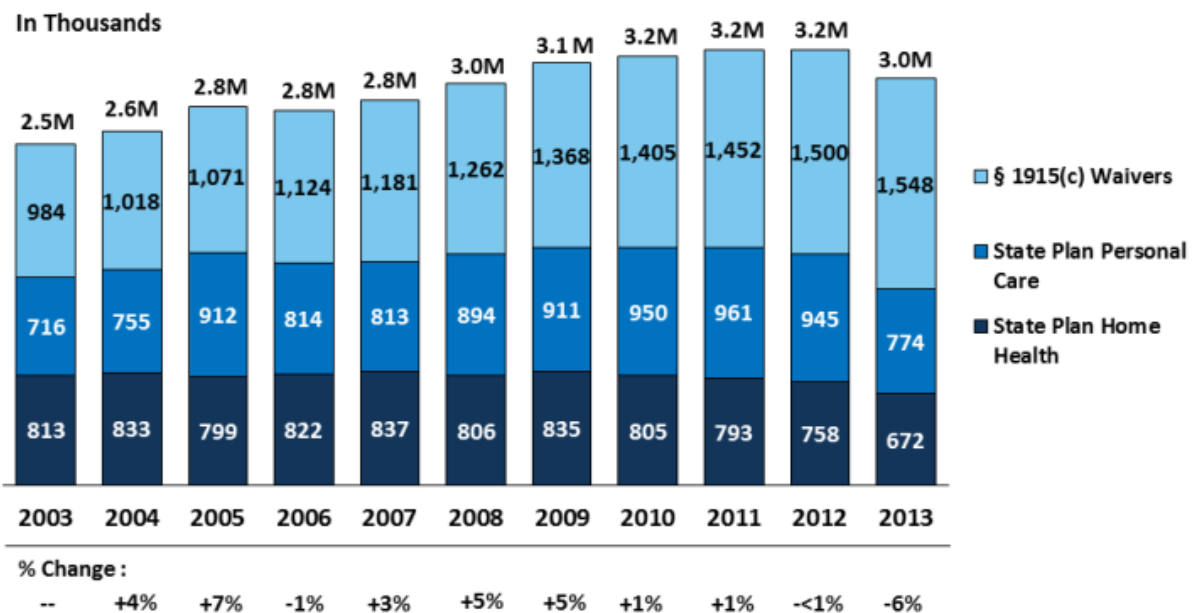
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The Association of Developmental Disabilities Providers (ADDP) appreciates the opportunity to offer this testimony in response to HCP proposals for human service and health care cost control. As a trade association representing 145 intellectual and developmental disabilities (I/DD) providers throughout the Commonwealth, ADDP is very concerned about any proposals to control costs that would affect the critical services provided to persons affected by I/DD.

Present demographic shifts on both the federal and state levels are having profound effects on service provisions to persons with I/DD. Perhaps most important is the aging of persons with I/DD and their caregivers. Projections for growth in these populations call for a significant increase in use of waiver plans over the next decade as shown in the figure below.

Figure 1

Growth in Medicaid HCBS Participants, by Program, 2003-2013



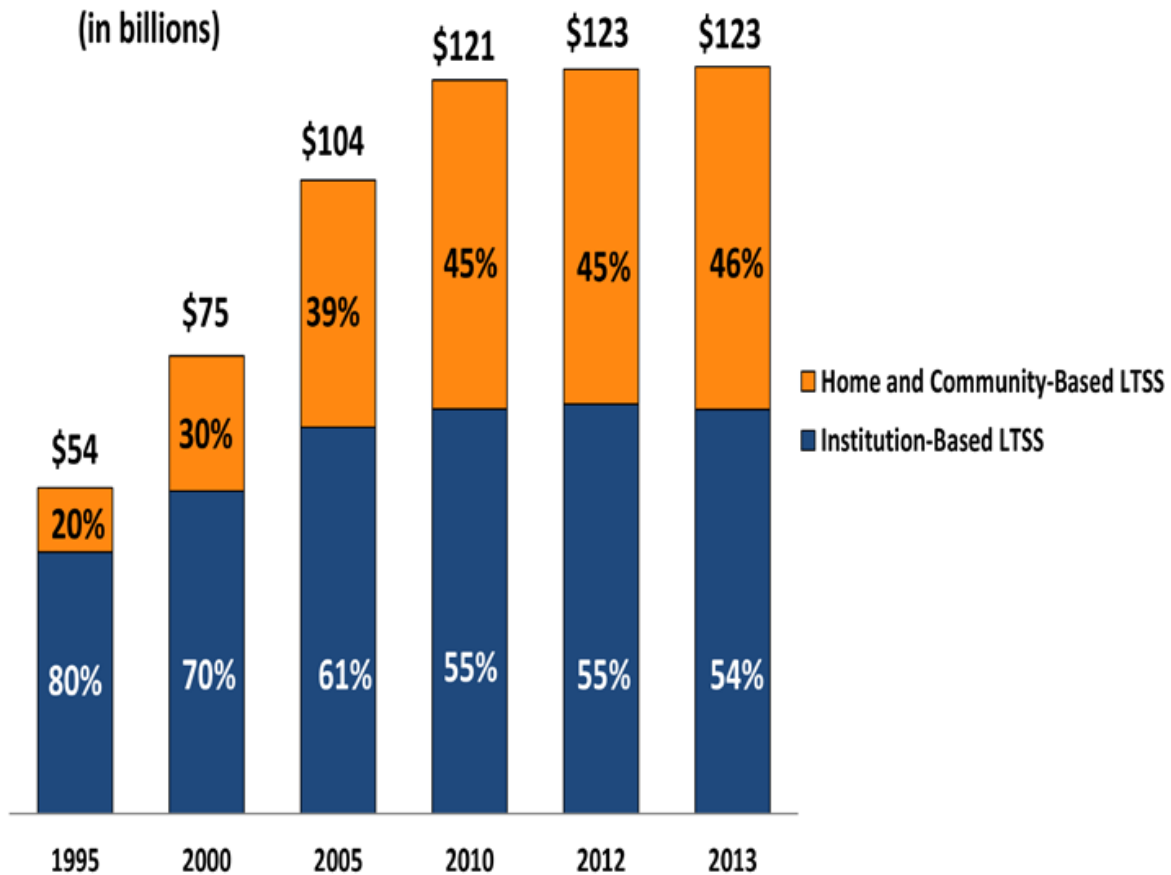
NOTE: Figures updated annually and may not correspond with previous reports. Data exclude enrollment in Community First Choice, Section 1915 (i) HCBS, and Section 1115 waivers that include HCBS.
SOURCES: KCMU and UCSF analysis of CMS Form 372 data and program surveys.



Not only does this aging affect persons with I/DD but it also has a significant impact on caregivers as well, both those who are dealing with issues of aging in their care recipients as well as those who are aging themselves and experience hardships being able to continue providing care. A concomitant factor is the increase in the proportion of persons who desire to age in place or in the home. Presently, 46% of LTSS spending is on home and community-based care. Individuals prefer to remain in their homes as they age; this figure is also expected to grow in the coming decades as more and more individuals age.

Figure 1

Medicaid LTSS Spending is Increasingly Devoted to HCBS as Opposed to Institutional Care



NOTES: Home and community-based care includes state plan home health, state plan personal care services and § 1915(c) HCBS waivers. Institutional care includes intermediate care facilities for individuals with intellectual/developmental disabilities, nursing facilities, and mental health facilities.

SOURCE: KCMU and Urban Institute analysis of CMS-64 data.



Statistics on workforce changes to come are also bleak. In addition to the swelling number of persons expected to retire in the coming decades, there is a growing shortage of workers pursuing careers as direct support professionals (DSP). Based on what current data does tell us, direct support professionals do some of the most important work in our country but our investment in them in the form of compensation and benefits is woefully inadequate. For instance, it is found that over half, 56%, of the direct support professionals rely on public assistance to make ends meet. 37% of these workers are uninsured and another 21% rely on public insurance like Medicaid. Direct support professionals are often the main breadwinners in the family, 91% are women and 21% are single parents. Across all service types, in 2015, DSPs received a median hourly wage of \$10.72. Broken out by service type, median hourly wages were: \$10.60 for DSPs providing residential supports; \$10.72 for DSPs providing in-home supports; and \$10.91 for DSPs providing non-residential supports. When compared to minimum wage data, these figures do not even meet minimum wages. In 2016, the poverty level for a family of 4 is \$13.43 per hour.

What is needed is enhanced emphasis placed on cultivation of DSPs and increased investment in this workforce. There are a number of reasons for the shrinking of the DSP workforce, including wage stagnation, employment separation, and low morale. Since 2014 there has been a dramatic spike in the number of vacancies of these jobs compared to hires. There has simultaneously been a spike in the number of individuals in this profession quitting. But perhaps the most staggering figure that BLS revealed was that while in the course of the next decade other occupations are slated to grow around 7%, our need for workers is growing between 26% and 38%.

So what then can be done to ameliorate the problems caused by demographic shifts? Perhaps most importantly is continued financial support for the critical services provided to persons with I/DD. However, there are other ways in which the effects of demographic pressures could be lessened. What is recommended is continued state support for and emphasis placed on employment of persons with I/DD. Not only does this provide persons with I/DD an opportunity to engage more fully in their communities, but it enables them to have gainful employment which can offset the need for state financial assistance. Simultaneously, it is recommended that emphasis be placed on increasing professionalization of the DSP workforce and new pools of DSPs be identified. For instance, high school students transitioning to college or vocational schools could be enticed to work in the field by being offered academic credit, thereby alleviating pressure presently placed on that workforce.

In sum, demographic shifts will have profound effects on the field of I/DD. Ripples will be felt by all participants in the field, including staff, providers, caregivers, and, most importantly, individuals with I/DD. ADDP urges HCP to give careful consideration to cost controls that would affect the critical services being provided to persons with I/DD.