



February 12, 2020

TO: Will Carpenter, Chair and
Members of the House Social Services Budget Committee

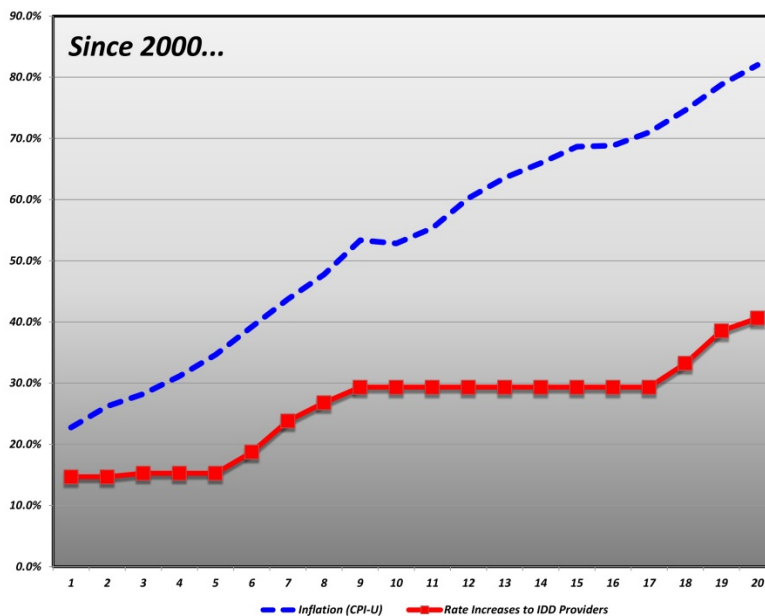
FR: Matt Fletcher, Executive Director, InterHab

RE: HB 2550

Chairman Carpenter and members of the committee, thank you for the opportunity to speak in support of HB 2550. The membership of InterHab provides support to thousands of Kansans with intellectual and developmental disabilities in every part of our state. Our membership strongly urges favorable consideration of HB 2550.

Why is HB 2550 necessary?

Recent increases in IDD provider rates are greatly appreciated. However, they did not make IDD providers whole for two decades of underfunding. Had IDD provider rates been increased consistently even at a level matching inflation, IDD providers would currently be much more fiscally sound.



It is clear that IDD providers need significant assistance due to the underfunding they have experienced.

Because of significant underfunding, IDD providers are struggling to maintain existing service capacity for Kansans with IDD already in the system. When I mention the term “capacity”, it’s important to note that for the IDD service system **capacity can be defined primarily as a qualified workforce, as well as the development of tools and resources that gives providers the financial security necessary to support persons with IDD with increasingly diverse and complex service needs.** Capacity challenges within the IDD network are largely related to workforce needs. IDD service providers face a workforce crisis in their most vital positions – direct support professionals (DSPs) who provide critical care on a daily basis and providers are often unable to offer competitive wages with entry-level jobs in retail or fast food.

We recently surveyed our members regarding workforce challenges. Here’s what we learned:

Turnover:

- Average annual turnover: **46%** (*Higher than the national average of 44%*)
- Kansas DSP turnover reported as high as **77%**
- Percentage of DSPs who have been employed for less than two years – **51%**

Wages:

- DSP Average Starting Wage - **\$10.49 per hour** (*about \$22,000 annually*)
- DSP Average Wage - **\$11.91 per hour** (*about \$25,000 annually*)
- Frontline Supervisor Starting Wage - **\$14.59 per hour** (*about \$30,000 annually*)
- Frontline Supervisor Average Wage - **\$17.35 per hour** (*about \$36,000 annually*)

Vacancies:

- CSPs are currently missing **13%** of DSPs and **35%** of front line supervisors required to effectively serve their clients
- Reasons for vacancies included:
 - Insufficient number of qualified applicants – **88%**
 - Inability to compete with other employers – **88%**
 - No applicants for open positions – **77%**
 - Reimbursement doesn’t allow us to increase staff wages – **71%**

Impacts on DSP Workforce Due to Stagnant Rates:

- **59%** of CSPs have had to limit or cancel worker benefits due to stagnant reimbursement rates.
- Benefits that have been limited or cut include:
 - Reduction or elimination of health insurance – **47%**
 - Reduced leave time and holidays – **11%**

Impacts on Kansans with IDD Due to Stagnant Rates:

- CSPs that have limited admissions due to lack of staff during the past 12 months – **53%**

Who are Direct Support Professionals?

The typical direct care staff person:

- Is female (81.4%)
- Has an average age of 34.68 years.
- Is either single (42.9%) or married with one dependent (41.6%).
- Has 14 years of education.
- Has a full-time (72.5%) rather than a part-time (27.5%) position.
- Derives a primary income from her job (63.5%).
- Has lived in the community where she works for approximately three years.
- Cares for about six clients with Intellectual and developmental disabilities.

Source: "Community Service Provider Direct Care Staff Turnover Study" by the Institute for Social and Behavioral Research, Kansas State University

"...About 45 percent of direct-care workers live in households earning below 200 percent of the federal poverty level income, making them eligible for most state and federal public assistance programs... Nearly half of all direct-care workers (46 percent) live in households that receive one or more public benefits such as food stamps; Medicaid; or housing, child care, or energy assistance."

Source: *Paraprofessional Healthcare "Who are Direct-Care Workers?" 2011*

Living Wage: Living Wage Calculation for Kansas:

Living Wage: 1 adult – 0 children (\$10.96); +1 child (\$23.25); +2 children (\$26.69)

Poverty Wage: 1 adult – 0 children (\$5.84); +1 child (\$7.91); +2 children (\$9.99)

Source: (<https://livingwage.mit.edu/states/20>)

What's in HB 2550?

HB 2550 provides a multi-year funding plan to help catch IDD providers up on the funding they need to maintain services for Kansans with intellectual and developmental disabilities. The bill would provide a 7% increase to provider rates in SFY 2021, a 6% increase in SFY 2022 and a 5% increase in SFY 2023.

HB 2550 also includes a mechanism to establish a 'cost of living adjustment' for IDD provider rates after SFY 2023. This is an important step forward in ensuring that the IDD system remains adequately funded in the future.

Finally, HB 2550 begins the process of ending the IDD waiting list that now totals more than 4,000 adults and children by calling for legislative examination and recommendations.

Why now?

- In some areas, as much as **25%** of current IDD service capacity has been lost, pointing to a looming crisis.
- Demand for DSPs is expected to increase by **48%** during this decade.
- **100%** of providers report experiencing increased complexity of support needs for those they support. Those increasingly complex needs contribute to higher levels of turnover, with **65%** of providers indicating that their organization has experienced higher levels of turnover in direct care positions that work with persons with IDD who have complex needs.
- The IDD waiting list will continue to grow each year. Many of those on the list have waited nearly a decade for help. It's time to begin the process for elimination of the IDD waiting list.