



OTTAWA
1516 DAVIS
PO. BOX 459
OTTAWA, KS 66067
785-242-5035
Fax 785-242-2118

BURLINGTON
1415 S. 6TH ST.
BURLINGTON, KS 66839
620-364-2151
Fax 620-364-8062

Monday, March 15, 2021

Testimony in Support of HB 2046

Honorable Chair and Distinguished Members of the Committee,

Need for Passage of HB 2046

Thank you for the opportunity to provide testimony and for your consideration of HB 2046. This bill has the potential to place Kansas as a leader, being one of the first states to begin solving a nationwide workforce and capacity crisis which threatens the health, safety, and wellbeing of individuals with intellectual and developmental disabilities (I/DD). The need is great.

HB 2046 aims to begin solving this problem of the workforce and capacity crisis affecting community service providers (CSPs) by establishing a regular rate increase for these services. This rate adjustment program will help ensure sufficient wages and compensation packages for professionals supporting people with I/DD. Passage of HB 2046 ensures provider rate increases support increased Direct Support Professional rates which then become more aligned with the appropriate status, value, and respect which those working in the field of providing services to individuals living with I/DD earn through their mission-driven service.

Complex Roles of Direct Support Professionals

Direct Support Professionals working within Kansas CSPs commit to a complex and interdisciplinary profession including but not limited to those of teachers, chauffers, personal trainers, counselors, CNA's, dieticians, chef, maid, financial advisor, physical therapists, etc. In addition to the many hats that a DSP wears, they are expected to perfect an array of inter and intrapersonal skills such as: communication (non-verbal included), effective listening, emotional intelligence, problem solving, crisis management, decision making, and leadership.

Oftentimes pivotal decisions required by a DSP result in life-or-death situations: when to call an ambulance; to ensure correct medication is given to the individual; to ensure the health and safety of individuals during a volatile situation, etc. These workers are expected to establish competency in all the skills and tasks outlined **while making less than a livable wage.**

Kansas Wage Crisis Affects Turnover Rates and Overtime Costs

The current average hourly wage for a Direct Support Professional in the United States is \$12.09: below the federal poverty line for a family of 4.

The average salary for a DSP in Kansas is \$11.14, 9% lower than the national average. At the agency I work for, COF Training Services, providing supports within 3 rural counties in East Central Kansas, the average DSP rate, is \$11.32. This rate does not include the agency's cost of benefits (average \$6.76/hour) which raises the actual cost from \$11.32 to \$18.08 per hour.

As a Director working for this agency, I have been part of a task force over the past few years, passionately working to increase wages of our DSPs. We have regretfully continued to face the same hard truth: increasing the wages of our staff without a substantial increase in organizational income would result the company becoming insolvent, thus becoming unable to continue to care for the 300+ individuals with disabilities already within our services.

Unlike most businesses, providers in this industry cannot simply increase their fees to pay their staff more. Because CSPs are unable to pay staff more, we struggle with keeping quality, well trained staff. In FY 2019 unemployment rate in Kansas was 3.3%. In the height of the pandemic (April 2020), unemployment peaked at 11.9% but as of January 2021, Kansas rates have returned to a low rate of 3.5%. Having most of the eligible workforce in Kansas employed is great, but it also results in less people available to fill vacant positions within an underfunded social services arena. With such low unemployment rates, people aren't competing for jobs, jobs are competing for people. Since other industries can compete with higher wages, our industry continues to experience alarmingly high and expensive turnover rates.

In FY 2018, the national average turnover for DSPs was 43.8%, with 53.9% of staff leaving before completing 1 year of employment. The most recent comprehensive study of Kansas DSP workforce estimated that the turnover rate in Kansas was 50% with many Kansas CSPs experiencing turnover above 75%. As a point of comparison, across all industries, as reported by Bureau of Labor Statistics, the national average turnover rate is 3.5%. The magnitude of this workforce issue is hardly seen in any other industry, thus making running an efficient and effective direct support business nearly impossible.

Like many other CSPs across our state and nation, COF Training Services has experienced high turnover rates and associated costs with lost investment and overtime. In FY 19, based on just minimum cost just to complete background checks and orientation training for the employees who separated from our company in one year was \$252,655. That same year our agency spent over \$600,000 on overtime.

During the second half of FY 20 and thus far during FY 21, we have continued to face the normal day to day challenges of our field in addition to immense challenges posed due to the COVID 19 pandemic. DSPs have been and continue to be expected to face the frontline of that pandemic, working directly with individuals infected with or exposed to COVID-19, while making wages comparable to entry level fast food industry positions.

Complex Needs of Individuals Receiving Services

Another factor leading to higher turnover rates and increased cost to community service providers is the resources it takes to serve individuals with I/DD who have complex needs. When I refer to complex needs, I am speaking about individuals with I/DD who also have behavioral challenges, mental health diagnosis (dual diagnosis), complex medical needs: such as tube fed or intubation dependent, or individuals with age related illness such as dementia or Alzheimer's.

In the state of Kansas, I/DD service providers are required to serve any individual who selects that CSP. Little consideration is given to the resources/costs needed to serve that individual.

The percentage of individuals with complex needs are small but they take up the highest percentage of resources. Within the past 5 years, COF has experienced extreme difficulty in providing adequate care to all individuals requesting services due to the resources/costs required by a small percentage of individuals with complex needs. Currently COF uses 45% of its total resources for 5% of its clients. This leaves 65% of our resources for the remaining 95% of clients. The high needs of these individuals have resulted in financial loss and turnover of many high quality, tenured staff.

In my short, 7 years working in the field of I/DD, I have had many experiences working with individuals with complex needs. I would be happy to share more details with you personally. For the sake of my testimony today, I will only briefly share on one case.

COF served one individual with very complex needs for 2 years. The individual's primary challenges were related to his mental health diagnoses of Borderline Personality Disorder. This individual was 6'3" and 350+ pounds. He required one-on-one staff during all day and sleeping hours; and he engaged in harmful, destructive behaviors requiring up to 5 DSPs and multiple Director level staff to ensure health/safety during the episodes.

That individual took up 10% of COF's total financial resources on his own. That's 10% resource allocation to 0.3% of the total population served.

The annual waiver funding covered \$33,696 while the cost to COF was \$608,578 per year. This total cost to serve a single individual was \$574,882 more than waiver funding covered.

Additionally, eight employees quit during the time this person was served and directly referenced the stress of supporting this individual as a reason for them leaving their job (some of them leaving the direct care field entirely).

Previous Rate Increases

It is a well-established fact that rate increases for HCBS providers are rare and low. For example, over the past 20 there have been 6 small, annual rate increases for I/DD providers but even with these rate increases, we haven't even been able to keep up with inflation. From this timeframe, 2000-2020 inflation grew 35% more than the rates for I/DD services in Kansas. During each increase in inflation, the cost to run a CSP business grew while the reimbursement rate did not grow enough to allow providers to address their increased costs. During each increase in inflation, the cost to run a CSP business grew while the reimbursement rate did not grow enough to allow providers to address their increased costs.

HB 2046 addresses this gap to ensure that CSP businesses can afford normal operating costs without being forced to reduce pay rates even more.

How have we invested in direct care workforce so far

As stated previously, the directors at COF Training Services are passionate about increasing DSP wages. Despite not having increases enough to keep up with inflation, COF has invested over 100% of the rate increases received since 2000 directly into their direct care workforce.

Here are ways that those funds have been invested in our direct care workforce:

- **Starting wage increase-** Before 2000, the average starting wage of a DSP was 7.62. In 2021, the DSP average starting wage is \$10.50 (38% higher than 2000). This change alone is an increase in \$650,000 annually
- **Career ladder-** We have begun to establish a career ladder for DSP by introducing lead DSP positions at each location. This position gave an additional \$2.00 per hour to 27% of our DSPs who applied for and were placed into those lead roles. This was an additional \$84,000 annually
- **Benefits-** We have increased our benefits package from an average of \$2.00 per hour to up to \$8.00 per hour. This is an increase of \$742,500 annually
- **Bonus programs-** We have implemented bonus incentives for our DSP workforce including attendance, referral, and performance appraisal incentives. Our average annual cost of these incentive programs is \$380,000

As with any business model, our wages and benefits continually go up, as they should. Unlike other business models, we are unable to raise our prices to keep up with these increased costs. Additionally, we do not have an established metric for our rates to be raised and we can and have gone many consecutive years without an increase in rates. The only reason we were able to invest this amount of money over the past 20 years was by improving efficiencies and reducing costs in every possible way to prioritize direct care wages.

Any further rate increases received will be applied directly to staff wage increases. Our company is happy to provide follow up evidence to show this application of increased funds.

What will 5% get us

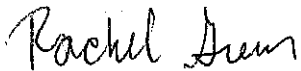
If we receive a 5% rate increase as proposed in this legislation, that will give our company an increase in \$325,000 potential annual funding. Considering the increase to benefits along with increase in wages, this would allow us to give a 50 cent increase to all employees. Although that doesn't bring our starting wage close to where we feel it should be, it is a push in the right direction.

Conclusion

Those who run direct support businesses have continued to experience lack of adequate rate increases with compounding pressures and expectations from federal and state regulation, other state oversight agencies, families of persons served, and staff members. This combination of events has led many CSPs to close their doors to new individuals requesting services, and/or close the CSP agency altogether. This underfunded environment makes it very difficult for individuals who are in need of care to find someone able and willing to provide those services.

For an average of 0.11% of the Kansas State General Fund over the next 5 years, HB 2046 provides an opportunity to begin solving these challenges and shift the paradigm for individuals with I/DD across Kansas Communities.

Thank you for your consideration.



Rachel Green
Director of Operations
(785)-893-0260
rsnow@cofts.org