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Monday, February 10, 2020

Testimony in Support of SB 348

Chair Sen. Carolyn McGinn

Vice Chair Sen. Rick Billinger

Ranking Member Sen. Tom Hawk

Honorable Chair and Distinguished Members of the Committee,

Need for Passage of SB 348

Thank you for the opportunity to provide testimony and for your consideration of SB 348. 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.

SB 348 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 SB 348 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 intellectual/developmental disabilities 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:

- chauffer,
- advocate,
- dietician,
- chef,
- counselor,
- physical and occupational therapist,
- nurse,
- teacher,
- personal trainer,
- maid,
- personal caregiver, and
- financial advisor.

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 (verbal and non-verbal),
- emotional intelligence,
- effective listening (especially with those who do not use words to communicate),
- 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

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, 8% 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. Consider the stresses and trauma such an

unfortunate event would cause for those receiving services from not only this agency but from other agencies who face the same DSP wage challenges.

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%. 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 (done in 2006) estimated that the turnover rate in Kansas was 50%.
- The minimum cost just to complete background checks and the unfunded mandate of orientation training COF experienced with staff turnover % was \$252,655 in a single year. This high cost has a direct correlation with turnover rates within this rural Kansas community service provider.
- As a point of comparison, across all industries, as reported by Bureau of Labor Statistics (2017), the national average separation (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.

High 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. 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 behavioral and medical needs has increased substantially. Individuals with complex medical and behavioral needs include individuals who might experience one or more of the following:

- comorbid diagnoses of mental health/personality disorders alongside intellectual disabilities, sexual predatory behaviors,
- extreme physical violence towards self and others,
- extreme verbal aggression towards self or others,
- extreme levels of property damage,
- reliance on ventilators for survival,
- reliance on tube feeding for sustenance,
- individuals with age related illness: Alzheimer's or dementia

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. The high needs of these individuals resulted in extreme financial loss and turnover of many high quality, tenured staff.

One example is an individual who received services from 2015-2017. This individual was diagnosed with Borderline Personality Disorder as well as a multitude of other mental health diagnoses; 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.

DSPs working with this individual started at \$15/hour (\$5/hour more than normal hire rate) with an additional \$8/hr of benefits provided by the agency. Despite this substantial increase in base pay rate, COF was still unable to retain staff sufficient to serve this single individual. This individual was incredibly verbally and physically abusive to other individuals who receive services, he oftentimes caused physical harm and extreme emotional distress to staff and peers alike. This agency attempted to serve this individual in each of its residential settings: 10-6 to 8 bed group homes, 6- 3 bedroom homes, and 1-apartment complex located throughout 3 counties during a time span of less than 2 years. Eventually, this agency provided daily hotel rooms (because the individual could not afford them) and provided one-on-one direct support staff for 24/7 in these hotels. Regardless of absorbing the costs of additional programming efforts, conferences with professional staff, following numerous recommendations, this individual was kicked out of 8 hotels across the 3 counties we serve. He caused thousands of dollars of damage to COF property, community property, and the property of the other persons receiving services. He injured multiple staff members which led to ER visits and exorbitant work comp claims.

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).

Staff Turnover and Overtime Costs

Constant and high turnover also leads to high overtime costs. Despite not having adequate staffing, individuals receiving support still require appropriate levels of care which forces the CSPs to meet these needs while absorbing overtime costs.

In FY 2019, COF (one provider) spent \$600,000 on overtime pay alone. That does not include the increased costs of benefits that are correlated to an increase in hours worked.

Staff turnover negatively impacts the success and stability of the people we serve. Individuals with I/DD need the opportunity to build a trusting rapport with the staff who provide services. Building this rapport can take 6 months to 1.5 years. With a revolving door of people leaving and coming in to take care of these individuals, growth/progress and the individual's comfort and quality of life is greatly compromised.

Previous Rate Increases vs, Inflation

From 2000 to 2019, there have been 6 annual rate increases for I/DD providers in Kansas:

- From 2000-2005 US inflation increased by 14% and rates for I/DD service providers in Kansas remained unchanged.
- From 2006-2009 inflation grew 17% and I/DD service rates grew by 15%.
- From 2008-2017 inflation grew by 19% and I/DD services rate remained unchanged.
- From 2016-2019, I/DD service rates increased at the same rate of inflation growth (7%) for the first time.
- Overall from 2000-2019, inflation grew 57% and I/DD service rates only grew 22% (35% less than inflation).

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.

Response to the CMS Final Rule

Kansas providers need a set rate increase to support transition of their outdated service structure from "traditional congregate services" to service models outlined by CMS Final Rule which prioritize person centered and community integrated services. Community integrated and person centered services are an easy moral commitment for providers to make. When rate models are based on traditional congregate services, though, it is a difficult transition to make.

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, SB 348 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.



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