

TO: House Appropriations Committee

FROM: Lori B. Feldkamp, Big Lakes President & CEO

DATE: March 17, 2021

RE: KDADS Budget – Reimbursement Rates for I/DD Providers

Thank you for the opportunity to express my support for restoration of the 5% Medicaid reimbursement rate increase for I/DD providers. During the 2020 legislative session, a 5% rate increase was approved by the legislature but was cut from the state budget during the summer. An increase to Medicaid rates are essential for sustaining a system of quality supports and services for people with intellectual and developmental disabilities (I/DD) and eventually addressing the waiting list for IDD services.

For 48 years, Big Lakes has provided services for individuals with intellectual disabilities that enable them to live and work in their communities in Riley, Geary, Pottawatomie and Clay counties. Big Lakes' mission is to deliver quality services that promote choice, independence and inclusion for persons with intellectual and developmental disabilities.

I/DD Reimbursement Rates

The services provided by Big Lakes are paid for through the Home and Community Based Services (HCBS) I/DD Medicaid waiver. Medicaid reimbursement rates are determined by the state. While the legislature has appropriated a few small increases over the years, this action has only just begun to address the severe and chronic underfunding of a system that has been going on for over 20 years. **During that time, staff turnover and vacancy rates have reached dangerous levels and has only worsened with the pandemic.**

Why should you care?

People with disabilities rely on direct support professionals (DSPs) to provide consistent support they require. **Most individuals with I/DD will need some form of support their entire lives.** The supports provided are as diverse as the people who are served. Those responsibilities can include helping them to obtain and keep a job, providing care when they are sick, assisting them with personal care such as bathing and toileting, helping them budget their money, washing their clothes, fixing their wheelchair, preparing their meals, managing and administering their medications, providing emotional support and guidance and cheering their success. **DSPs are responsible for the health, safety and welfare of the individuals in their care.** During the pandemic, we have had multiple quarantines and isolations due to clients and staff testing positive. Caring employees are absolutely necessary in order to provide 24/7 care for those sick with COVID-19. DSPs place themselves and their own families at risk due to their devotion to the clients.

DSPs are their life coach, teacher, personal trainer, chauffeur, dietician, counselor, physical therapist, occupational therapist, psychologist, nurse and **in some cases, the only family they have.**

Workforce Crisis

At Big Lakes, starting wages for a DSP is \$11.00 per hour. HOWEVER, in order to pay that much, we must classify half of our direct support staff as part-time with no paid benefits. We also must limit the hours of individual support our clients receive which results in a high client to staff ratio. All this makes a **very stressful DSP job** even more difficult. It also means high turnover. In the Manhattan area, someone can easily find a job flipping burgers or driving a delivery truck that pays more, has less stress and responsibilities, no night, evening or weekend work and less paperwork and training requirements. This work takes a toll on the emotional health of our staff, especially those that are working in excess of 80 hours a week because of staff vacancies. **In recent weeks, we were forced to temporarily close two group homes and put the clients together at our day service center because we have been unable to recruit required overnight awake staff for both homes.** Management personnel is covering this overnight shift.

There has been a workforce crisis for direct support professionals for many years and it is only getting worse. Finding good quality applicants that are willing to do this work and can meet the minimum requirements, including background checks, drug screening and good driving record is difficult. But, finding an individual who is also caring, compassionate and can connect with this population is rare. The pool of qualified applicants is very small and most qualified people are already employed. **The number one capacity issue for I/DD services is the workforce shortage.** Competitive wages and benefits are necessary for individuals to consider this field a career. In 2019, our turnover rate was 43%. More disturbing is our vacancy rate. Position vacancies have escalated in the past seven years and overtime costs are out of control. **In 2019, it took on average 140 days to hire just one replacement. Today, we have 36 full time equivalent (FTE) positions unfilled. In 2020 and 2021, those who are unemployed due to COVID are not looking for work because their unemployment benefits pay more than Big Lakes can.**

So what does high turnover and vacancies mean to the people we serve? There is a carousel of people in and out of their lives and no consistency in care. They can't depend on the same person to be there next week or even the next day. A virtual stranger is helping you with the most intimate parts of your daily life. **Big Lakes has not accepted new admissions since 2016 because of the inability to hire and retain qualified staff.**

COVID-19 Impact

Big Lakes Budget – The impact of COVID-19 on Big Lakes' 2020 budget was significant. **Big Lakes had \$1.2 million in lost revenue in 2020 which totaled a 13% reduction in income.** In addition, the last minute loss of the **5% rate increase represented an additional \$350,000 of lost revenue.** Hazard pay and overtime costs totaled \$500,000 in additional payroll expenses that was not in our budget. While Big Lakes was able to qualify for the Paycheck Protection Program (PPP) and several CARES Act grants at the federal and state level, these onetime grant opportunities did not cover all COVID related expenses

incurred in 2020. Big Lakes is not eligible for the new PPP in 2021 because we cannot demonstrate a loss in revenue in excess of 25%; yet, our revenue and expenses continue to be impacted by COVID.

Liability Concerns – The potential for COVID related lawsuits are a legitimate concern for I/DD service providers. Big Lakes has provided multiple opportunities for clients and staff to receive the COVID vaccination. 90% of our clients have been vaccinated but only 55% of our employees. **As services reopen, the potential for lawsuits alleging exposure to COVID while giving or receiving services is a significant financial risk for service providers.** While we may do everything in our power to enforce health precautions, the vaccine is not 100% effective. The risk of exposure in human services by unvaccinated clients, employees and visitors remains high.

Summary

People with intellectual and developmental disabilities need and deserve services delivered by qualified staff. Direct support professionals need and deserve wage and benefits that values their hard work and compensates them fairly and adequately for those responsibilities. In closing, I want to reiterate **any bill or budget addendum that would consistently increase reimbursement rates every year for I/DD HCBS waiver services would be a step in the right direction** for improving the capacity to serve and the quality of services received by people with I/DD. Thank you.