

REFERENCE & STATISTICS: OREGON I/DD SERVICES, DSP LOSS IMPACTS

House Bill 5026: Amendment requested to add Policy Option Proposal I/DD 126 Workforce Expansion and Development

Shannon McCurry, co-founder of Medicaid Certified Provider Agency Amie's Community Care, Vice President of Oregon Coalition of Small Providers Orgs (36 private agencies).

As a Coalition, the DSP wage crisis is our #1 topic of advocacy.

Our agency alone employs 50 DSP's and serves nearly 200 customers. Multiple factors, including the rising minimum wage, the SEIU negotiated increase for the state employed provider workforce, and obsolete rate models determining 1:1 attendant care agency rates are causing a wage-driven crisis for private agencies. There is a statewide shortage of workers to provide in-home based services to adults and children who experience developmental disabilities. Both state-employed workers and private agencies are necessary to provide adequate supports for the more than 26,000 individuals who require these supports in Oregon (Intellectual and developmental disabilities budget narrative, 2017, p. 5).

CURRENT RATE ISSUES

Previous rate models were developed to set attendant care rates in 2007. New rate models developed by Burns & Associates for ODDS in Sept 2018 indicate true costs of \$40.69 per hour for agencies to provide 1:1 services (p. 3). The current rate is set at \$27.28 per hour, and will quickly be unsustainable due to multiple factors listed.

Home-Based Care vs. Residential Costs

As of 2015, the average monthly cost of home-based care was \$2,010 per adult individual (Kelly-Siel & Teninty, p. 11). Residential costs were an average of \$6,541 per adult individual (p. 11). If the nearly 8,000 DSP workforce (36% of the estimated 22,000 total DSP and PSW workforce in Oregon) is gone due to agencies shutting doors and/or moving away from providing 1:1 home based services, and roughly 20% of the 12,100 individuals those people served had to move into residential facilities as a result, the cost of the \$84 million POP 126 requests is less than the cost that would potentially be incurred due to that influx of these individuals into residential housing (p. 8, 10). **There is a potential \$131,580,240 annual cost increase, which exceeds the POP request.**

The cost of going backwards will be much greater than the investment going forward.

Homelessness: We help prevent the additional costs of homelessness for our clients by helping them apply for, secure, and retain housing.

Per the Northwest Economic Research Center (NERC) Study in 2012: Individual adults, or those without families, cost the most on a per capita basis across the time frame, running an average of \$40,156 per person. (Chanay, Desai, Luo, & Purvee, 2018, p. 37).

“According to a local non-profit in Portland, a homeless person in Multnomah County can cost anywhere between \$40,000 and \$150,000 per year in Portland.” (Chanay, Desai, Luo, & Purvee, 2018, p. 36)

Medical Costs: We prevent unnecessary and frequent ER trips and hospitalizations by ensuring our clients take medications as prescribed and have access to regular preventative healthcare they would not seek or manage on their own.

“The average urgent care visits range from \$50 to \$150.” “Average emergency room costs vary wildly based on treatment, but a 2013 National Institute of Health study put the median cost at \$1,233. Other estimates push it to as high as \$2,168.” (Emergency Room vs. Urgent Care, 2018).



Contact Us

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Stabilization & Crisis Unit Costs: In addition to medication management, we assist with positive behavioral supports to avoid crisis situations.

As of Sept 2016: the cost per adult per case for SACU was \$45,844, and there were only 88 individuals receiving services. (Department of Human Services, 2017, p. 3) Should currently supported individuals lose services, medical management supports, and positive behavioral supports, and end up entering SACU, that cost potential increases to \$110, 942, 480.

Employment: We assist clients to attain and retain competitive, integrated employment in their communities. Without stabilization through 1:1 attendant care services, a proportion of these individuals would not be able to work.

2016: 4,396 individuals who experience a cognitive disability served in integrated employment at an average of 18 hours per week. (National report on employment services and outcomes, 2018, p. 2) If just 30% of these supported individuals are unable to maintain employment due to a loss of DSP workforce, with minimum wage in Portland area currently \$12 per hour (and going up) and state tax rate 4.8% in this bracket, there is a potential total tax revenue loss of \$711,000.

Resources

Burns & Associates Inc. (2018, September 4). Review for provider rates for residential and other HCBS final rate models

Chanay, J., Desai, N., Luo, Y., & Purvee, D. (2018, July 31). An analysis of homelessness & affordable housing multnomah county. Retrieved from <https://pamplinmedia.com/documents/artdocs/00003616728975-0644.pdf>

Department of Human Services. (2017, March 27). ODDS Caseload and cost-per-case information. Retrieved from <https://olis.leg.state.or.us/liz/2017R1/Downloads/CommitteeMeetingDocument/112586>

Department of Human Services 2019-21 Agency Request Budget: Intellectual and developmental disabilities budget narrative. (2017, June 28). Retrieved from <https://www.oregon.gov/DHS/ABOUTDHS/DHSBUDGET/20192021Budget/DHS-2019-2021-Agency-Request-Budget.pdf>

Emergency Room vs. Urgent Care: Differences, Costs & Options. (2018, May 24). Retrieved from <https://www.debt.org/medical/emergency-room-urgent-care-costs/>

Kelley-Siel, E., & Teninty, L. (n.d.). 2015 Ways and means human services subcommittee: Intellectual/Developmental disabilities services overview. Retrieved from <https://www.oregon.gov/dhs/aboutdhs/dhsbudget/20152017%20Budget/DD%20EF%20Ways%20and%20Means%20Overview.pdf>

StateData: The National report on employment services and outcomes. (2018). Retrieved from <https://www.statedata.info/bbstates/Oregon.pdf>

Provider Agencies Snapshot

Survey of 6 private provider agencies from OCSP0:

Number of DSP's employed: 111

Number of Clients Supported: 393

Percentage of Agencies Providing Attendant Care 1:1 Services: 100%

Percentage of Agencies Providing Group, Employment, and Other Services: 66.7%

Number of Clients Needing:

- Supports With Housing: 109
- Medical Management Supports: 96
- Behavioral Supports (With Formal Plan): 19

DSP Average Turnover Rate: 54%

How has under-funding of DSP wages affected your agency?

6 responses

It makes it extremely hard to employ decent people who have a passion for this work and who care for the people we support. People don't stay long and leave for a job that pays more or has more benefits that are offered.

One DSP has left to start his own agency for better wages. Another DSP is planning on doing the same thing which results in a loss of customers and their affiliation with our agency and the social benefits that they get with my agency. Most DSP's are having a hard time with housing and rent because the costs have raised significantly since 2007. Many of them would love to purchase a home and work towards the goal of retiring some day. At the current rates, that is nearly impossible. Some would like to have children some day and provide for them which is very difficult without being on some government assistance and Medicare programs. The funding needs to be addressed ASAP in order to retain good quilting employees and to pay them a wage that reflects the challenging and important work that they do.

I have lost qualified staff because they are not able to support their basic needs of housing, health care, food and transportation. They have left employment with me because I have not been able to provide health care at the same time as a living wage of only \$15-18/hr. I have no ability to provide a higher wage bracket or even an office. I have limited 1:1 care to only customers already in the agency because the 1:1 rate of \$27.28/hr doesn't even cover the base cost of the provider wage and associated taxes. We have ceased serving respite care customers as well, because the rate does not cover providers at even minimum wage. These are just two examples of the damage done by POP 126 being denied. I urge you to draft an amendment to include POP 126 in HB 5026. Thank you for your consideration.

We are not able to offer a competitive or even appropriate hourly wage given the current state reimbursement and the costs of running a social service agency with liability costs etc. Finding qualified DSP's willing to accept the low wage are next to impossible to recruit. Thus, in order to fill customer need we are forced to hire DSP's with little to no experience, resulting in a lower quality of support over all for customers. The raising of minimum wage is set to put our agency out of business by 2021. Something must be done. Agencies do amazing and fantastic work related to individuals with I/DD realizing independence and a high quality of life that includes a real connection to their community, non-paid natural supports, and real friends.

Made it difficult to keep employees

We primarily serve clients who need 1:1 attendant care (OR 526) and group community based activities (OR 542). However, the \$27.28 per hour rate for attendant care is currently unsustainable. We will need to stop offering those 1:1 supports and move toward better funded services to remain in business, or we will be forced to close our doors. This will unfortunately leave 200 individuals who need 1:1 services without.

2/26/19

To whom it may concern:

My name is Kaitlyn. I've had my provider for 6 months now. I'm getting much needed help with going to my appointments. I'm getting much help to prepare my own meals. My provider has helped me emotionally through some trying times I highly recommend this service to others and I'm highly satisfied.

Sincerely,

Kaitlyn Bishop