

# A PERFECT STORM – A CRISIS HAS EMERGED IN THE I/DD COMMUNITY IN SOUTH DAKOTA



## DSPs Need a Living Wage

South Dakota providers serving people with Intellectual and Developmental Disabilities (I/DD) have experienced a workforce crisis for many years. At the heart of the crisis is the provider's inability to pay a living wage to Direct Support Professionals (DSP). Continuing the status quo is undermining the work of Community Support Providers (CSP) and is now negatively impacting services in South Dakota.

- CSPs are heavily reliant on Medicaid programs (on average 79.09%).
- There are approximately 3,491 CSP staff supporting 4,360 people with I/DD in South Dakota.
- Poor wages stamp out recruitment and retention efforts. To compete with the SD labor market, DSP wages need to increase \$2.71/hr.
- Significant regulatory changes on the federal and state level increase the cost of service delivery.

CSP of SD requires a 9.9% (\$6,098,432 General Funds) increase in funding in order to:

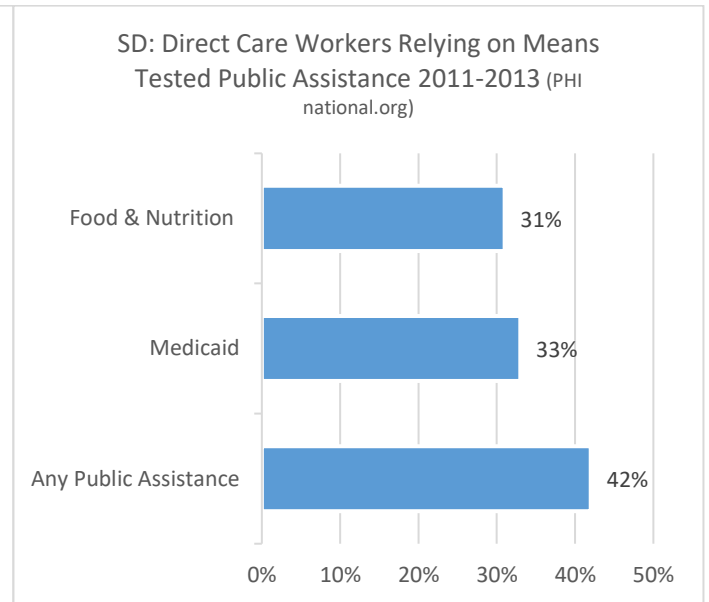
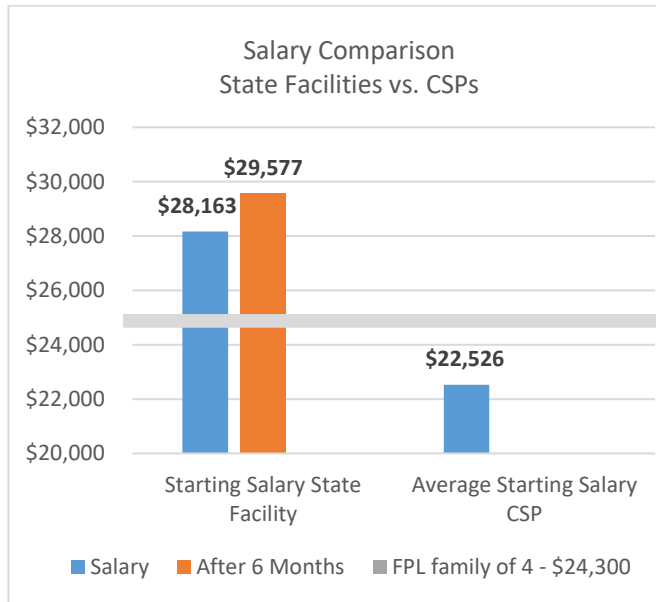
- Compete in a highly competitive SD labor market and compete with state employed DSPs
  - Establish initial and ongoing funding for a DSP credentialing program to recruit and retain quality DSPs
- CSP of SD requires \$1,758,802 in one-time funding to offset Conflict Free Case Management (CFCM) costs

**TOTAL GENERAL FUNDS = \$7,857,234**

### DSPs have highly specialized and important jobs in the support for people with I/DD.

- The DSP position is the backbone of Intellectual and Developmental Disability services
- DSPs require extensive training in behavioral intervention, medication administration, crisis intervention, communication, and person centered supports
- DSPs have to routinely make sound judgements regarding behavioral, health, and general safety
- DSPs have to meet increasingly complex regulatory requirements
- DSPs are constantly at risk of work related injuries due to intensive health and behavioral needs
- Don't fund for fast food wages. Fund for a living wage that attracts the kind of worker your loved ones would want

### DSP Wages DO NOT Match the Level of Responsibility Required



### Average Hourly Wages by Occupation in South Dakota

	Personal Care Aides (Direct Care & DSPs)	Home Health Aides	Weighted Average of Alternative Occupations	Retail Salespersons	Cashiers	Combined Food Prep, Service, & Fast Food	Waiters and Waitresses	Janitors & Cleaners	Stock Clerks & Order Fillers	Maids & Housekeeping Cleaners	Food Preparation Workers
South Dakota	\$10.30	\$12.74	\$10.98	\$13.37	\$9.87	\$9.38	\$9.82	\$11.47	\$11.40	\$9.90	\$9.96

Source: May 2015 data from the BLS Occupational Employment Statistics Program, [www.bis.gov/oes](http://www.bis.gov/oes)

\*\*Alternative occupations are other sizeable service occupations that do not require a formal education credential, and only require short-term on-the-job training.

# DIRECT SUPPORT WORKFORCE CRISIS IN SOUTH DAKOTA

## Effects of Workforce Crisis on South Dakota Community Support Providers

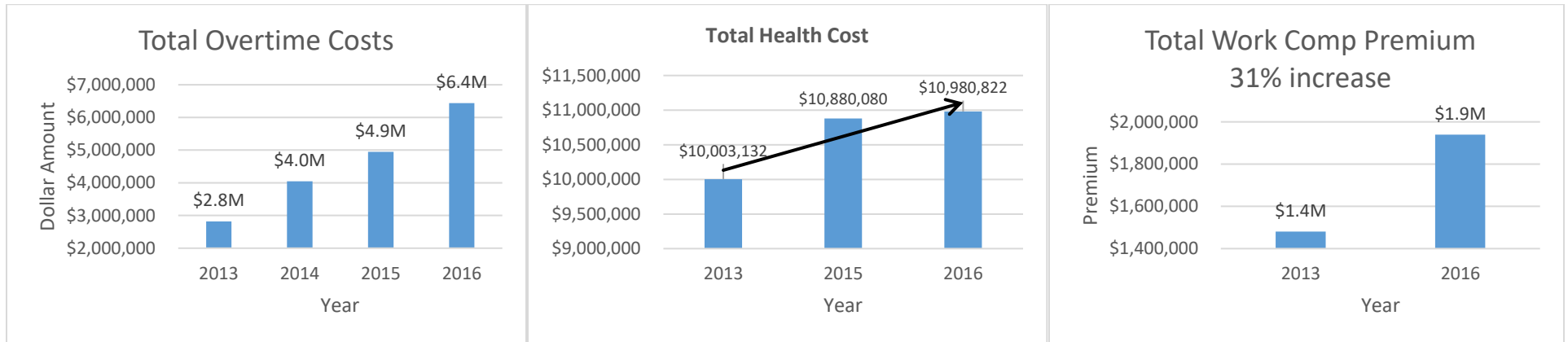
Monumental changes in our regulatory environments, unfunded mandates, and inadequate funding have resulted in DSP positions becoming increasingly less attractive, less competitive, and more expensive to recruit and retain.

- DSP turnover rate = 44.69%
- Average vacancy rate = 17.26%
- Number of open positions state-wide in November 2016 = 465

## Reimbursement and Rate Setting are Retrospective

- Reimbursement models are retrospective and DO NOT account for increased operational costs. Rate models require a prospective element in order to capture the true cost of services.
- Governor Dugaard and Legislators have acknowledged the importance of getting Medicaid providers to 90% of costs (Medicaid Summer Study).
- The WORKFORCE CRISIS is a core factor in increased costs.

### INCREASED OPERATIONAL COSTS FOR COMMUNITY SUPPORT PROVIDERS



A WORKFORCE FORGOTTEN	CHANGES AT THE FEDERAL LEVEL	NEED A STABLE WORKFORCE "A PATH FORWARD"
<p><b>Wages are Below Market Value:</b></p> <ul style="list-style-type: none"> <li>• DSP average starting hourly wage in SD is \$10.83 which is below the national and state average for weighted alternative occupations, home health aides, retail salespersons, and janitors and cleaners (see first page).</li> <li>• CSPs are in direct competition with fast food workers and other related occupations, yet the responsibilities have far more implications.</li> </ul> <p><b>State Government DSPs Outcompete the Private Market</b></p> <ul style="list-style-type: none"> <li>• The state of SD outcompetes CSP wages by \$7,051 annual salary or 27% more in wages.</li> <li>• Governor Dugaard acknowledged that state DSPs earning entry level wages at \$30k deserved a wage increase on top of a 1% inflationary increase, yet CSPs will only receive a 1% increase in funding.</li> </ul> <p><b>Demand for DSPs Will Increase – Don't Wait to ACT</b></p> <ul style="list-style-type: none"> <li>• Personal Care Aides (which includes DSPs) is projected to grow 33% in SD by 2022.</li> </ul>	<p><b>Conflict Free Case Management (CFCM)</b></p> <ul style="list-style-type: none"> <li>• Required change that reduced CSP funding with a disproportionate amount of responsibilities remaining with CSPs.</li> </ul> <p><b>Workforce Innovation and Opportunity Act</b></p> <ul style="list-style-type: none"> <li>• Unfunded mandate requiring intensive, therefore more expensive, staffing support.</li> </ul> <p><b>Home and Community Based Services Settings Rule</b></p> <ul style="list-style-type: none"> <li>• Unfunded mandate to provide support in community-based settings, often requiring higher staffing ratios.</li> </ul> <p><b>Efforts to Eliminate Sheltered Workshop Settings</b></p> <ul style="list-style-type: none"> <li>• Community based options are the desired outcome. However, eliminating these settings reduces work options and increases cost to provide services.</li> </ul> <p><b>DOL Exempt Overtime Rule</b></p> <ul style="list-style-type: none"> <li>• Currently on hold due to a court injunction, yet remains a threat of increasing expenses, potentially affecting efforts to raise DSP wages.</li> </ul>	<p><b>DSP Credentialing Proposal</b></p> <ul style="list-style-type: none"> <li>• Professionalizes the role of the DSP.</li> <li>• Provides a career path for DSPs with incentives to stay employed as a DSP.</li> <li>• Improves the education and training the DSP receives.</li> <li>• Potential to improve retention and recruitment of DSPs</li> <li>• Improves outcomes of people receiving services.</li> <li>• \$651,732 is needed for the first year of implementation</li> </ul> <p><b>Quality in Direct Support Professionals Matters</b></p> <ul style="list-style-type: none"> <li>• "Insufficient and inappropriate DSP staffing will result in poor quality of outcomes, increase [abuse, neglect, and exploitation] as well as higher LOSSES for providers" (Rose &amp; Thomas, 2016).</li> <li>• "Quality can be defined as the point of interaction between a DSP and the person supported" (NADSP, n.d.).</li> </ul>

**Improving quality of service and financial stewardship begins with investing in this important workforce**