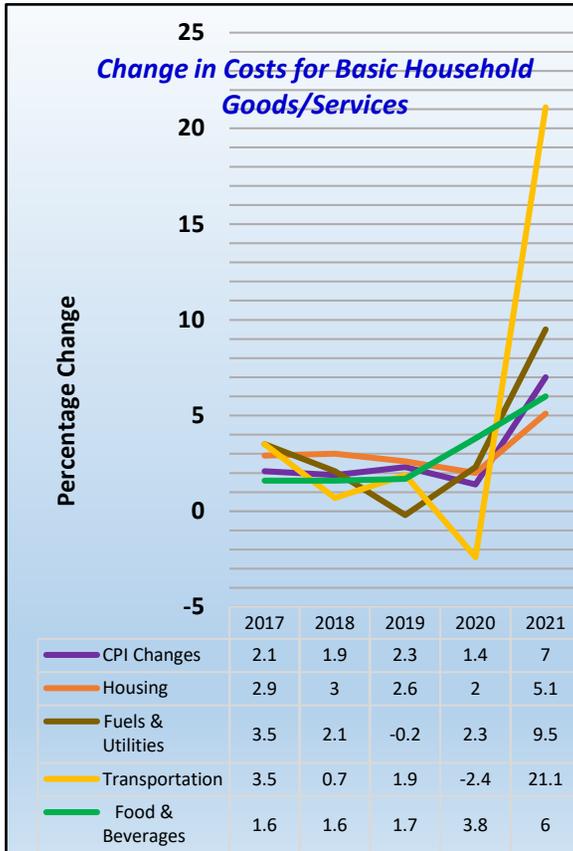


CRISIS IN THE I/DD COMMUNITY



Stats according to the Bureau of Labor Statistics

38

NEW JERSEY'S RANK AMONG 50 STATES FOR PERCENTAGE OF FUNDING UTILIZED FOR COMMUNITY SERVICES VERSUS DEVELOPMENTAL CENTERS.¹

Sources:

¹ From the 2019 Case for Inclusion (most recent year statistic available).

² From the 2022 Case for Inclusion - CFI

Impact of Ongoing Workforce Staffing Crisis

Providers serving individuals with intellectual and developmental disabilities (I/DD) are facing unprecedented changes that could potentially undermine decades of work and impact the availability and quality of services provided to individuals.

- DSP wages are funded entirely by Medicaid state and federal funding;
- Due to poor wages, inability to recruit and retain a qualified workforce:
 - Average of 37% Turn-over²
 - 12.3% full time and 16.4% part time open positions²
- End of 2020, one in three (29%) providers have spent more than \$500K annually in costs related to high turnover and vacancy rates²
 - Competition with Retailers Chick-fil-A currently hiring at \$19/hr.; Target @ \$24/hr.
- A lack of qualified staff applying for DSP positions.²
- Reduced capacity or closure of programs.
- Individuals in need going without services.
- Some providers establishing waiting lists for services.
- **Exorbitant overtime** costs impacting provider budgets, continues today.
 - One large agency saw a DSP annual salary increase from \$36K to \$82K (pandemic)
- Cannot serve new clients if covering inflationary costs; inability to expand to meet need.

An Underfunded System: Costs Rise, Provider Reimbursement Does Not

There has been NO increase in contractual rates in NJ in over eight years (since 2014) w/NO COLA.

- Rates based on only 87% of reported costs.
- All the cost categories listed (chart to the left) impact providers as significant cost drivers.
- DSP's received wage increases from 2019 that is a pass through to DSP's.
- No operational or inflationary cost increases.
- Fixed Medicaid rates means no ability to charge more to compensate for inflation like other industries.

Starting Hourly Rate Comparison



***Note: DSPs in the community settings received \$3/hr. additional pay during the pandemic, while DSPs in Developmental Centers received an increase equivalent to 50% of their salary.**

The Backbone of the Workforce is Direct Support Professionals (DSPs)

DSPs are distinct from other similar professions.

- Unlike home health aides or personal care assistants, DSPs serve individuals with complex behavioral health conditions whose challenges in navigating everyday life are far more than physical and implement behavioral plans developed by PhD/Masters level professionals.
- DSP's are responsible to integrate people they serve into the community according to their individual plans and needs.
- DSPs must complete extensive training.
- DSPs must understand and comply with a significant number of complex regulations.
- DSPs are continually at risk of job-related injuries due to behavioral health of individuals served.

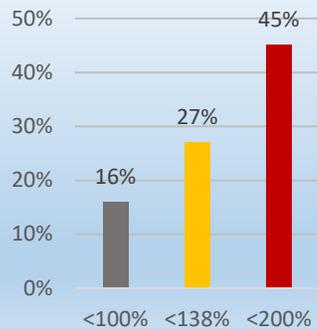
Despite this level of responsibility, wages for DSPs are appallingly low. In fact, many DSPs are considered the working poor.

CRISIS IN THE I/DD COMMUNITY

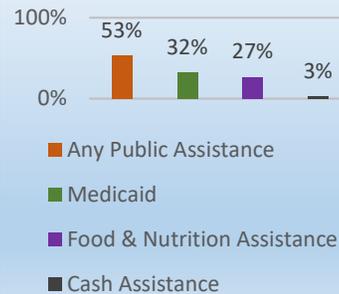
Operating in a High-Cost State

- Average increases for health insurance premiums:
 - The average family premium has increased 47% since 2011 and 22% since 2016.³
 - The average single and family premiums are relatively high in the Northeast and relatively low in the South [Figure 1.4].³
- The real cost of a USDA food stamp meal exceeds the federal government's allotment in every NJ county but one, and in Essex it's 24% higher and in Sussex, 21%.⁴

A) Home Care Workers* By Poverty Level, 2019⁵



B) Home Care Workers* Accessing Public Assistance, 2019⁵



C) Home Care Workers* Living in Affordable Housing, 2019⁵

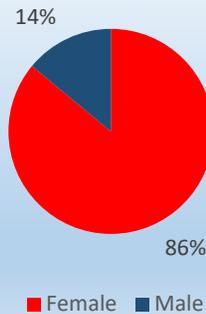


DSP's Left out of Housing Market

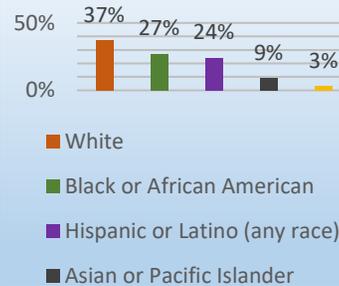
- Low incomes lead to high poverty levels among direct care workers.
- A majority of home care workers live in affordable housing.
- The impact is greater in New Jersey. The state ranks as 6th most expensive in the nation for renters.⁶
- A minimum wage earner must have 2.2 FT jobs or work 88 hours/week to afford a modest one-bedroom home.⁶

*Note in charts (A – F), Home Care Workers INCLUDES Direct Support Professionals (DSPs).

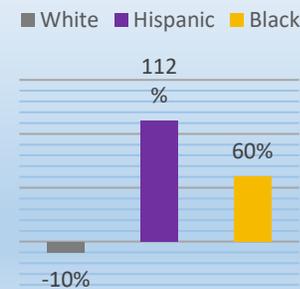
D) Home Care Workers by Gender, 2019⁵



E) Home Care Workers By Race/Ethnicity, 2019⁵



F) Home Care Workers % Change in Race, 2009 - 2019⁷



Disproportionate Impact on Communities of Color

- While people of color comprise 39% of the population, they constitute 63% of home care workers.⁷
- 86% of workers are women and a growing percentage are people of color.⁷
- Notably from 2009-2019 white workers decreased 10%, black workers increased 60% and the number of Hispanic workers has more than doubled with an increase of 112%. (See charts E & F, left)⁷
- Low wages disproportionately impact communities of color and women.⁷

Changes at the Federal Level

Changes to regulations at the Federal Level will negatively impact providers, impacting essential services for those who need them most.

- Providers face a fiscal cliff as federal pandemic funding and flexibilities will end after the Public Health Emergency ends.
- A 6.2% FMAP increase for providers ends with the end of the PHE.
- Without this increase, funding decreases to pre-pandemic levels while providers continue to be challenged by a pandemic that still impacts them today.
- Costs related to complying with the Home and Community Based final rule, effective March 2023.

The COVID 19 Pandemic is not over for the IDD Community

- Providers absorb new costs associated with keeping individuals safe and healthy, including, purchase of personal protective equipment (PPE), testing, and vaccine education.
- The pandemic worsened the already ongoing workforce shortage.
- Consolidation and closure of programs are not over and will have lasting impacts.

Sources:

³ From *The Kaiser Foundation, 2021*

⁴ From the *Urban Institute*

⁵ From *PHI "Direct Care Workers in the U.S." Key Facts 2021*

⁶ From 2021 *Out of Reach Housing Report*

⁷ From the *2022 Case for Inclusion - CFI*