

ENSURING A SUSTAINABLE WORK FORCE FOR PEOPLE WITH DISABILITIES

Minimum Wage Increases Can Not Leave Direct Support Professionals Behind

The historically underfunded system of services for individuals with intellectual and developmental disabilities, and the Direct Support Professional (DSP) workforce that is central to their delivery are rarely mentioned in the current debate on raising the minimum wage. DSPs are the cornerstone of our nation’s long-term care system, and the quality and stability of this workforce is of fundamental importance to the well-being of the millions with disabilities that rely on them for essential care, services and support. With demand for quality long-term care, services and supports accelerating with an aging baby boomer population, meeting this need will be extremely difficult to achieve without a committed, stable and well-compensated DSP workforce.

Direct Support Professionals—also often referred to as direct care staff, aides, home health assistants, personal care attendants and by other titles—help individuals with intellectual and developmental disabilities, elders and people with other disabilities, across a variety of settings, live and work in their communities. Their duties range from helping people with basic health and self-care activities like grocery shopping, bathing and housekeeping; to caring for people with very complex medical issues and implementing behavioral plans; from supporting individual efforts to develop social relationships and make decisions and judgments; to gaining skills, and obtaining and retaining employment.

DSPs are among the nation’s most vulnerable workers, typically receiving low wages and having limited access to health insurance and other benefits. Today, these individuals often have to weigh the rewards of working with people with disabilities with the financial needs of their own families. The result is a DSP workforce that has been plagued for decades by turnover rates ranging from 40-50%, a rate far exceeding most other industries.

We can and must do better

The number of Americans estimated to need long term services and supports is expected to more than double, from 12 million in 2010 to 27 million in 2050.¹ Meanwhile, demand for DSPs is expected to increase by 48 percent in the next decade.² According to the Institute of Medicine (IOM)³, “Because direct care workers provide the bulk of paid direct care services for older patients in nursing homes and other settings, it is vitally important that the capacity of this workforce be enhanced in both size and ability to meet the health care needs of older Americans.” The IOM identifies a number of ways to improve recruitment and retention, one of the most notable of which is to increase the wages and benefits of the workforce.

Medicaid dependent providers of services for people with significant disabilities compete with fast food restaurants and other lower wage employers for qualified workers. If provider payment rates are not increased to ensure that the DSP wages are sufficiently above the minimum wage, it will likely lead to increased turnover rates which inevitably will have an adverse impact of the quality of services for people with disabilities.

¹ Department of Health and Human Services (2003) *The Future Supply of Long-Term Care Workers in relation to The Aging Baby Boom Generation*, Report to Congress.

² Congressional Budget Office (2013) *Rising Demand for Long-Term Services and Supports for Elderly People*. June, p.33.

³ Institute of Medicine (2008) *Retooling for an Aging America: Building the Health Care Workforce*

This goal must be an integral part of any discussion on increasing the minimum wage. Unfortunately, it is largely ignored in part due to a lack of awareness and appreciation for how community-based organizations that employ DSPs and provide developmental disability services are funded and operate.

Medicaid is essentially the only payer for services for people with intellectual and developmental disabilities – commercial insurance and private pay revenue sources are virtually nonexistent. As a result, community providers cannot simply raise prices or shift costs to meet an increased minimum wage or other labor rules. Provider rates are determined by individual states and must be included in the state’s Medicaid Plan, which is ultimately reviewed by the U.S. Department of Health and Human Services’ Centers for Medicaid and Medicare Services (CMS). The reality of increased expenses without a corresponding increase in funding all too often results in reduced pay and benefits to this workforce, increased turnover and greater disruption of services for people with disabilities.

Recommended Action

ANCOR urges policymakers at the federal, state and local levels to ensure that any discussion on raising the minimum wage account for the underfunded system of services and support for individuals with intellectual and developmental disabilities, and the DSP workforce that is central to the delivery of these services and supports. **Specifically, ANCOR urges policymakers to:**

- Support efforts to increase the overall wages of Direct Support Professionals, including exploring new payment mechanisms under Medicaid, and providing meaningful cost of living adjustments to offset inflationary cost pressures;
- Ensure that any increase in the minimum wage level be coupled with an equivalent increase in funding for Direct Support Professionals;
- Ensure adequate funding so that direct support workers are paid a living wage, including appropriate benefits, at the same level of pay and benefits that states provide for staff working in state-operated programs;
- Require that states develop and implement a plan to address all relevant components that drive the crisis, including low wages and reimbursement rates, high turnover, and inadequate training;
- Require any state and federal changes in employment standards be reflected in state reimbursement rates for services; and
- Implement programs aimed at the direct support labor market to increase the pool of available workers and improve recruitment, retention, training, and supervision of direct care workers to better serve individuals with disabilities.

Legislation recently enacted in Maryland raises the minimum wage to \$10.10 an hour by 2018, and provides a statutory mandated rate increase for community service providers of 3.5% each year from FY 2016 through FY 2019. The 3.5% rate increase is expected to ensure that the reimbursement for direct support wage costs stays above the minimum wage. The Maryland legislation provides a model for federal and state lawmakers to ensure that recruitment and retention of qualified DSPs does not become a greater challenge.

The American Network of Community Options and Resources (ANCOR) is the leading national trade association for providers of community services for people with disabilities. The mission of ANCOR's National Advocacy Campaign is to enhance the lives of people with disabilities who rely on long-term supports and services by obtaining the resources to recruit, train and retain a highly qualified and sustainable workforce. For more information visit the [campaign's website](#) or contact Barbara Merrill at bmerrill@ancor.org.