



U.S. SENATE SPECIAL COMMITTEE ON AGING  
“AN ECONOMY THAT CARES: THE IMPORTANCE OF HOME-BASED SERVICES”  
HEARING TESTIMONY  
Wednesday, March 23, 2022

Dear Chair Casey and Ranking Member Scott:

The American Network of Community Options and Resources (ANCOR) appreciates the opportunity to provide testimony on the importance of the Medicaid Home and Community Based Services (HCBS) program.

Founded more than 50 years ago, ANCOR is a national, nonprofit association representing nearly 2,000 private community providers of long-term supports and services to people with intellectual and developmental disabilities (I/DD), as well as 56 state provider associations. Combined, our members support more than one million individuals with I/DD across their lifespan, and are funded almost exclusively by Medicaid. Our mission is to advance the ability of our members to support people with I/DD to fully participate in their communities.

*The Direct Care Workforce Crisis Endangers Access to HCBS*

Through the Medicaid HCBS program, our members offer a broad range of supports to help people with I/DD live full and independent lives in the community. The backbone of these services are direct support professionals (DSPs), who not only provide essential caregiving services to people with I/DD, but also provide an array of supports ranging from assistance in grocery shopping to job training and employment supports.

However, the DSP workforce is in the midst of a long-standing crisis due to decades of underinvestment, which is now being amplified significantly by the COVID-19 pandemic.

Nationwide, the average hourly wage for DSPs is \$13.36, with turnover rates ranging as high as 79.5%.<sup>1</sup> The most recent National Core Indicators Staff Stability Survey reveals that in 2020, full-time vacancy rates increased by 45%.<sup>2</sup> Disability service providers are struggling to compete for labor against industries that have traditionally paid entry-level wages, such as convenience stores, retail, and fast food. While many businesses in those industries adapted to the pandemic economy by offering increased wages and hazard pay, community providers have not had these options, as they are primarily reliant on stagnant Medicaid reimbursement rates.

The resulting exodus of DSPs from the field has left individuals with I/DD without consistent access to critical support and at a higher risk for hospitalization and institutionalization. A 2021 survey conducted by ANCOR confirms the negative impacts of high turnover on

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<sup>1</sup> Nat'l Assoc. of State Dirs. of Developmental Disabilities Servs. & Human Servs. Research Inst., *National Core Indicators Intellectual and Developmental Disabilities 2020 Staff Stability Survey*, available at [https://www.nationalcoreindicators.org/upload/core-indicators/2020StaffStabilitySurveyReport\\_FINAL.pdf](https://www.nationalcoreindicators.org/upload/core-indicators/2020StaffStabilitySurveyReport_FINAL.pdf).

<sup>2</sup> *Id.*

access to services.<sup>3</sup> That survey finds that 77% of providers have been forced to turn away new referrals, 58% of providers have discontinued programs and services, 81% of providers are struggling to achieve quality standards, and nearly three in 10 providers report spending at least \$500,000 annually on costs associated with high turnover and vacancy rates. In addition, 92% of providers report that the COVID-19 pandemic continues to complicate their ability to recruit and retain qualified DSPs.

### *Congress Must Invest in the HCBS Program*

These relentless challenges illustrate why support for HCBS is essential. In November, the U.S. House of Representatives passed legislation to provide a nearly \$150 billion investment in the HCBS program. This level of funding is the minimum investment necessary for states to begin building a sustainable HCBS infrastructure that can start to address the magnitude of unmet need in our communities. This funding would not only strengthen the ability of people with disabilities and our aging neighbors to live a life with dignity in their homes and communities, but it would create countless jobs and boost local economies.

In analyzing the nearly \$150 billion investment included in the House-passed legislation, the Congressional Budget Office (CBO) concluded that the investment would lead to an increase in both HCBS services and employment of direct care workers. The CBO analysis stated:<sup>4</sup>

The total amount of HCBS that people used would increase, and the employment of direct care workers who provide HCBS funded by Medicaid would increase to cover additional services and enrollees. CBO expects that wage increases would be sufficient to increase the supply of workers to cover those hours once the policy was fully implemented. (Wages would also increase in other sectors of the economy employing workers with similar skills.) The total labor supply—including HCBS and other sectors—would increase.

### *Temporary Investments Are Not Sufficient to Solve the Crisis*

We appreciate the investment Congress has already made in the Medicaid HCBS program through the American Rescue Plan Act, which has been critical in supporting access to HCBS and enabling providers to invest in their direct care workforces. However, more than a year later, nineteen states have yet to receive the conditional approval needed from CMS to access full funding.<sup>5</sup> And, even for those states where plans have been approved, limited one-time funding is insufficient to address the gravity of the workforce crisis. Providers and DSPs will face a devastating fiscal cliff when that funding expires on April 1. The investment of nearly \$150 billion for the HCBS program would empower providers to continue retaining existing workers and recruit new ones, ensuring sustainable services for individuals with I/DD and their families.

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<sup>3</sup> Am. Network of Cmty. Options & Res., *The State of America's Direct Support Workforce 2021*, available at [https://www.ancor.org/sites/default/files/the\\_state\\_of\\_americas\\_direct\\_support\\_workforce\\_crisis\\_2021.pdf](https://www.ancor.org/sites/default/files/the_state_of_americas_direct_support_workforce_crisis_2021.pdf).

<sup>4</sup> Cong. Budget Office, *Economic Effects of Expanding Home- and Community-Based Services in Medicaid* (2021), available at <https://www.cbo.gov/system/files/2021-11/57632-Medicaid.pdf>.

<sup>5</sup> See Lauren Weber & Andy Miller, *Why Billions in Medicaid Funds for People with Disabilities are Being Held Up*, NPR (Mar. 2, 2022), available at <https://www.npr.org/sections/health-shots/2022/03/02/1083792436/why-billions-in-medicaid-funds-for-people-with-disabilities-are-being-held-up>.

HCBS has grown exponentially since its inception 40 years ago and plays a critical role in ensuring people can be supported in their homes and communities. However, absent the necessary infrastructure investments to sustain the DSP workforce, Medicaid HCBS programs will continue falling far short of reaching everyone in need.

*Conclusion*

We urge you to prioritize the needs of people with I/DD by supporting legislation to invest \$150 billion to strengthen and expand the Medicaid HCBS program. If you have questions or would like to discuss further, please feel free to contact Shannon McCracken, ANCOR's Vice President for Government Affairs, at [SMcCracken@ancor.org](mailto:SMcCracken@ancor.org).

Sincerely,

A handwritten signature in black ink that reads "Barbara Merrill". The signature is written in a cursive, flowing style.

Barbara Merrill  
Chief Executive Officer  
ANCOR