The State of America’s Direct Support Workforce Crisis 2023
In February 2020, ANCOR set out to answer a seemingly simple question that wasn’t addressed by extent research at the time: what do community-based providers of intellectual and developmental disabilities (I/DD) services do when confronted with ongoing staffing shortages?

To answer that question, we fielded our first-ever State of America’s Direct Support Workforce Crisis survey, a set of measures posed to provider organizations to understand how they navigate long-term shortages of qualified direct support professionals, or DSPs. The response to that initial survey was overwhelming and illuminating—so much so that we decided to field the survey on an annual basis.

Now in its fourth year, this report highlights the data collected from our fourth annual survey of community-based I/DD providers, which was in the field from late September through mid-October 2023. This year’s survey garnered responses from 581 distinct organizations delivering services in 45 states and the District of Columbia.

The following are among the key findings from the State of America’s Direct Support Workforce Crisis 2023:

- 95% of respondents indicated they had experienced moderate or severe staffing shortages in the past year.

- More than half (54%) of respondents indicated they deliver services in an area where few or no other providers deliver similar services.

- More than three-fourths (77%) of respondents reported turning away new referrals in the past year due to ongoing staffing shortages.

- 72% of respondents reported that they had experienced difficulties adhering to established quality standards due to ongoing staffing challenges.

- Of those respondents that reported offering case management services, fully three-fourths indicated they had experienced difficulties connecting people with services due to a lack of available providers.
New this year, the State of America’s Direct Support Workforce Crisis survey offers a glimpse at longitudinal trends. For every measure on which trend data were available, we find that the situation facing providers has yet to return to the crisis levels that defined the pre-pandemic era, despite meaningful improvements on those measures between 2022 and 2023.

Given the precarious situation continuing to confront providers, ANCOR concludes its 2023 report by recommending policy actions that can help significantly strengthen the direct support workforce. Specifically, we recommend (1) increasing funding for workforce initiatives, (2) establishing a Standard Occupational Classification for DSPs, and (3) investing in career pipeline programs to enhance training and professionalization within the field.

**SHORT ON STAFFING:**

95%

Reported experiencing “moderate” or “severe” staffing shortages in the past year.

66.8%

Severe Moderate

**NOWHERE TO GO:**

77%

Of respondents reported turning away new referrals in the past year due to ongoing staffing shortages.

**OUT OF OPTIONS:**

75%

Of case management providers experienced difficulties connecting people with available services.

**WORRIED FOR THE FUTURE:**

60%

Indicated they were likely to pursue additional discontinuations of programs and services unless high staff turnover were to abate.
Background

For the fourth consecutive year, ANCOR has measured the impact of the direct support workforce crisis on community-based providers supporting people with intellectual and developmental disabilities (I/DD). By assessing the impact of the direct support workforce crisis on community-based providers on a consistent set of measures for four years, the 2023 edition of the State of America’s Direct Support Workforce Crisis is the first to shed light on longitudinal trends.

This year’s survey garnered responses from 581 distinct provider organizations that together support people with I/DD in 45 states and the District of Columbia. Although data from this year’s effort shows measurable improvements in several key areas between the time of data collection and a year prior, the national provider community remains a long way off from where it was prior to the COVID-19 pandemic.

Of course, that statement is more ominous than may be apparent. For starters, prior to the COVID-19 pandemic, we long described recruitment and retention challenges as having reached crisis levels. And so, when we make comparisons in this report to pre-pandemic levels, we do so because our very first data collection effort on this front happened to have occurred in February 2020. We do not, by any means, seek to suggest that a return to a workforce crisis like that of early 2020 would be a desirable outcome—even if it would be an improvement over where we are today.

To make matters worse, the broader policy and economic landscapes providers navigate today are clear reminders that any progress we have made in the past year is fragile. For example, although the pandemic era saw the first-ever consecutive years of increases in the median hourly wage for DSPs, those investments were made possible through COVID-19 relief funding, some of which has already expired and all of which is temporary.

The roots of our ongoing direct support workforce crisis trace back to one source: underinvestment in Medicaid. Insufficient reimbursement rates in the Medicaid program have long hindered the ability of providers to compete for labor against other hourly wage industries, such as fast food and retail, and these hinderances were heightened significantly by the COVID-19 crisis. Providers want to pay more, but lack the funding needed to do so, leaving the median direct support professional with an hourly wage around $14.50. In turn, providers at the national level are left to grapple with turnover rates hovering around 44% and vacancy rates in excess of 20%.
Now, a shortage in direct support professionals is on track to collide with projected shortages of caregivers for people with other types of disabilities and the elderly. According to data from PHI, job demand for home-based care services is expected to increase by 35% in the next decade, adding more than 1 million new jobs for direct care workers and creating more than 9.3 million job openings between now and 2031—more new jobs and job openings than any other single occupation in the country.

Against this backdrop, the findings of this year’s State of America’s Direct Support Workforce Crisis survey are perhaps unsurprising. Providers simply cannot find and sustain a qualified workforce unless they can afford to pay employees more. Absent that ability, they’re left to face impossible choices—to discontinue services, to turn away new referrals and more—while people with I/DD in the United States face diminishing access to services that can make or break their ability to live and work in their communities.

In all, there are slight glimmers of hope to be found in the data collected through this year’s survey. Nevertheless, we’re far from being able to declare that the community-based I/DD services system has come back from the brink.

Key Findings

The State of America’s Direct Support Workforce Crisis 2023 results reveal that ongoing staffing shortages force providers to consider adopting extreme, sometimes gut-wrenching measures to sustain operations. Meanwhile, people with I/DD and their families are left with diminished access to services and, where services remain intact, sometimes diminished service quality.

The Impossible Choices Confronting Community Providers

Before identifying what providers do in response to ongoing recruitment and retention challenges, it’s essential to understand the scope of the direct support workforce crisis. Our 2023 survey revealed that 95.4% of respondents had experienced “moderate” (28.5%) or “severe” (66.8%) staffing challenges in the past year. This finding reminds us that virtually no provider is immune from staffing shortages. In fact, just five of the 581 respondents (0.9%) reported that they had not experienced any staffing challenges in the past year.
Turning Away New Referrals

Without enough qualified DSPs to support the needs of the people in their care, providers were forced to turn away new referrals at alarming rates. More than three-fourths (77%) of this year’s survey respondents indicated that they had turned away or stopped accepting new referrals due to insufficient staffing. That number might be higher if not for the fact that some states disallow providers from turning away new referrals, which means providers are expected to meet a person’s support needs irrespective of whether they have the staff to do so.

Discontinuing Programs & Services

Deciding not to support anyone beyond those who are already receiving services is already a tough decision to make for professionals whose careers and organizations are dedicated to ensuring people with I/DD have options and resources for community living. However, many of the provider organizations surveyed this year indicated they had to go a step further to discontinue existing services and programs.

Forty-four percent of respondents to this year’s survey indicated they had discontinued programs or service offerings due to insufficient staffing. This means that people who were already receiving services were forced to seek services elsewhere, perhaps due to the closure of a residential services program or the consolidation of a series of community integration programs. With the rapid decline in providers accepting new referrals, finding new services may mean traveling great distances outside their communities or, in worst-case scenarios, going without necessary supports.

To make matters worse, six in 10 respondents to this year’s survey indicated that they were likely to pursue additional discontinuations of programs and services unless high staff turnover was to abate. Notably, this is one of the few measures where the outcome in 2023 was actually worse than the outcome in 2022—9% worse, to be precise—which reinforces the fragility of gains that have been made in other areas.

State of America’s Direct Support Workforce Crisis 2023
Diminishing Access to Quality of Services for People with I/DD

While community providers are forced to make choices they would seek to avoid at all costs, the impact of high turnover is perhaps felt most profoundly by people with I/DD who seek services so they can remain in their homes and communities, as opposed to large, state-run institutions. In some cases, these impacts come in the form of diminished access to services, wherein too few providers can reliably meet their needs. But even where access to services is preserved, those receiving services are likelier to see the quality of those services diminished due to high turnover and vacancy rates.

Delaying the Launch of New Programs

This year, 74% of respondents indicated that they had delayed the launch of new programs and services. This is troubling considering that there was already a significant need for additional programs and services dating back several years; in essence, providers are putting off the launch of new programs when families seeking services need the launch of those programs to be expedited.

Lack of Available Providers

Two additional indicators suggest that people with I/DD are likely to experience difficulties accessing needed services as a result of the ongoing staffing crisis. First, more than half (53.9%) of all respondents indicated that their organization delivers services in an area where few (48.5%) or no (5.3%) other providers offer the same services. This marks a significant problem for people with I/DD because it means that if one provider discontinues or delays a program, it is unlikely that others will step in to fill the need.

We already know that people on states’ waiting lists for home- and community-based services tend to wait for significant amounts of time. That is in itself a problem considering that according to the Kaiser Family Foundation, there were 497,354 people with I/DD on their state’s waiting list to receive services in 2023. However, our 2023 survey reveals that three-fourths (74.8%) of respondents offering case management services indicated that they had experienced difficulty connecting people with services due to a lack of available providers. In other words, even if someone is cleared from their state’s waiting list and approved to seek services, they are likely to continue facing barriers because of a lack of available providers. This marks a 5.6% increase in this measure over 2022, further reinforcing the challenges associated with reduced capacity and commitment to new and continued service offerings.
Struggling to Adhere to Quality Standards

Even when access to services remains intact, having an inadequate number of qualified direct support professionals means the quality of those services is at risk of being diminished. This year, 72% of respondents indicated that they had experienced difficulties in achieving quality standards due to insufficient staffing.

As the U.S. Department of Health and Human Services seeks to increase quality standards through the HCBS Settings Rule, compliance for providers and states remains challenging due to the direct support workforce crisis. As a result, nearly every state is currently under a corrective action plan due to their inability to comply with new quality standards nearly a decade after the rule’s finalization.

Here to Stay: The Long-Term Durability of The Crisis’ Worst Effects

For many measures tracked in the State of America’s Direct Support Workforce Crisis, we find that things are better now than they were a year ago, but that things are still far from where they were just before the COVID-19 pandemic when data collection efforts first began.

For example, after a spike in 2022, the percentage of respondents turning away new referrals in 2023 returned to 2021 levels (77%), but remained 11 percentage points higher than in 2020 (66%). Coupled with growing waiting lists, this indicator suggests access for people seeking services remains a significant challenge. Moreover, the limited number of available providers has left individuals with high support needs traveling long distances or living significant distances from their communities (if they can find an available provider at all), both of which enhance the risk of unnecessary hospitalization and institutionalization.

Similarly, we see significant improvement in the past year in the percentage of providers indicating that they were discontinuing programs or services in order to address the challenges wrought by ongoing staffing shortages. However, at 44%, this outcome remains about one-third higher than in 2020 (34%). This suggests that although program and service closures have slowed compared to 2021 and 2022 levels, the ability of states to maintain an adequate network of community providers and meet federal access standards remains at risk. The safety and well-being of the people relying on those services is jeopardized without the availability of those services to meet their need.
When it comes to the percentage of providers struggling to achieve quality standards, there is relative reason to be hopeful: among all measures, we saw the biggest year-over-year improvement here. Although 72% of providers as of 2023 were struggling to adhere to quality standards—a rate that is, quite simply, unacceptable—this represented a decline of 20 percentage points since 2022. At the same time, providers were four percent likelier to experience these challenges in 2023 than in 2020.

Taken together, these and other longer-term trends suggest that progress has been made, but more is needed to get back to our pre-pandemic “normal,” let alone to get to a point that is sustainable in the long run.

The good news? It doesn’t have to be this way. As the leading voice in Washington for community providers, we hear stories every day about how meaningful investments in community services lead to direct and sometimes even hasty improvements in outcomes. To explore these investments, the next and final section of this report identifies a three-pronged approach for preserving the community-based I/DD services system.
3 Steps for Strengthening the Community-Based I/DD Services System

ANCOR calls on the 118th Congress to adopt the following solutions to increase recruitment and retention in the direct support workforce to ensure the long-term viability of community-based disability services.

*Increase Funding for Workforce Initiatives*

The 118th Congress should pass the HCBS Relief Act (S. 3118/H.R. 6296) and the Better Care Better Jobs Act (S. 100/H.R. 547). Both of these bills would enhance the Federal Medical Assistance Percentage (FMAP), which would in turn increase the share of Medicaid funding for Home and Community Based Services (HCBS) furnished by the federal government. Increasing the FMAP would allow states to increase currently inadequate HCBS payment rates to promote recruitment and retention of direct support workers.

*Create a Standard Occupational Classification for Direct Support Professionals*

The 118th Congress should pass the Recognizing the Role of Direct Support Professionals Act (S. 1332/H.R. 2941). This legislation would establish a standard occupational classification (SOC) for DSPs. SOCs are used at all levels of government to identify employment trends and design policies, but DSPs aren’t currently defined in federal code because there is no SOC formally recognizing the profession. As such, there is no comprehensive mechanism for collecting data on DSPs, and policymakers cannot make informed decisions to assist with recruiting, retaining or fairly compensating DSPs.

*Support Career Pipeline Programs for Direct Support Professionals*

The 118th Congress should pass the Supporting Our Direct Care Workforce and Family Caregivers Act (S. 1298) and the Direct CARE Opportunity Act (H.R. 4720). These proposals would establish a career pipeline for DSPs, which would support further development of the profession and offer additional opportunities for training and professionalization. Congress should also enact legislation that would authorize federal grant programs to support the training, recruitment, retention and advancement of the direct support workforce.
Conclusion

Shoring up the direct support workforce and, by extension, the network of community-based I/DD services, will undoubtedly require concerted effort and meaningful investments of resources. This is especially true in light of the long-term neglect of the system.

Not only do people with disabilities deserve such investments—there simply isn’t another way forward.

ANCOR stands ready to partner with any advocate or lawmaker eager to champion the investments our system so badly needs. To that end, we invite advocates to get involved by visiting the ANCOR Amplifier at amplifier.ancor.org. And, if you are a member of Congress interested in how you can support the needs of your constituents with disabilities, please contact Elise Aguilar, Director of Federal Relations, at eaguilar@ancor.org.