ANCOR

2025

THE STATE OF AMERICA'S DIRECT SUPPORT WORKFORCE CRISIS

TABLE OF CONTENTS

EXECUTIVE SUMMARY

Threats to the system of community-based supports for individuals with intellectual and developmental disabilities (I/DD) seem to be coming from all angles as of late.

States confronting budget shortfalls due to expiring COVID-era funding have or are considering slashing resources from an already-deprived system.

Meanwhile, states that haven't been forced to consider cuts are likely to do so in 2026 and beyond as they prepare for nearly $1 trillion in reduced federal Medicaid funding as a result of the budget reconciliation legislation signed into law on July 4, 2025.

These and an array of other factors threaten to worsen a shortage of direct support professionals (DSPs) that has long been at crisis levels, but was finally starting to show signs of improvement. Despite improvement, however, the best available data suggest that turnover rates continue to hover near 40% nationally, while average vacancy rates range between 12-15% nationally.

Against this backdrop, ANCOR sought to understand the impossible choices confronting providers of community-based I/DD services as they grapple with moderate to severe recruitment and retention challenges. Since 2020, *The State of America's Direct Support Workforce Crisis* has provided an annual glimpse into these struggles and the impact they have on the ability of people with I/DD to access crucial services.

This year's effort, which includes responses from 469 provider organizations operating across 48 states and the District of Columbia, found that among respondents:

- **88%** reported moderate or severe staffing challenges in the past year.
- **62%** reported turning away new referrals due to inadequate staffing.
- **29%** indicated they were discontinuing programs and services because of staffing challenges.
- **59%** reported an intent to delay the launch of new programs due to staffing challenges.
- **52%** indicated that they were considering further cuts to programs if recruitment and retention challenges failed to subside.
- **36%** indicated that they were experiencing more frequent reportable incidents due to staffing shortages.
- **56%** delivered services in areas where few or no other options exist. As a result, among respondents providing case management services, **59%** indicated that they were struggling to connect people with available services.

Additionally, we asked respondents to identify which types of services were most frequently eliminated due to ongoing staffing challenges. The top two responses were residential habilitation services (**44%** of respondents) and home-based and day habilitation services (**28%** of respondents).

Lastly, additional survey questions were posed to better understand the experience of disability providers serving rural areas. Their responses reveal that:

- **54%** of respondents reported serving rural residents.
- **42%** of respondents indicated that they recruit and retain workforce talent in rural areas.
- **20%** of respondents reported networking with other health care providers to support access to care in rural areas.
- **18%** of respondents reported utilizing technology-driven solutions to support access to care in rural areas.

REFLECTIONS FROM THE FIELD

"We have some great direct care staff, [but we often hear from] staff leaving, 'We love your services and your clients, but we have to feed our families.'"

Our intent is for these findings to serve as a call to action for policymakers.

The most meaningful way to address the direct support workforce crisis is through marked federal and state engagement, targeted at strengthening the workforce and making a concerted commitment to investing in Medicaid-funded community supports for people with I/DD.

KEY FINDINGS OF THE 2025 SURVEY

05

Transitioning from your bed to your wheelchair in the morning. Brushing your teeth, taking a shower, and getting dressed. Getting to work and succeeding while there. Learning to prepare a meal. Getting together with friends and family on the weekend. Volunteering in your local community. Learning to create and stick to a budget. Participating in community events.

These are just some of the countless ways DSPs support people with I/DD to live life with dignity and self-determination. DSPs do it all. Quite simply, the ability of our nation to make good on its promise to be inclusive of people with I/DD rests squarely upon the shoulders of this country's DSPs.

On a near daily basis, we hear stories about how the work carried out by direct support professionals (DSPs) is both fulfilling and challenging. Many DSPs enter the field because of the opportunity to positively impact the lives of others in their communities, but the physically demanding and highly personal nature of providing direct support can take a toll.

Sadly, DSPs are increasingly finding it impossible to carry this weight given high turnover and vacancy rates within the Medicaid-funded system of I/DD services. As a result, too many DSPs flee the field before they're able to realize their true impact, while the ones who stay carry the burden of covering the shifts of vacant positions to guarantee that people don't experience disruptions in their care.

REFLECTIONS FROM THE FIELD

"This is hard work—it can take an emotional and physical toll—and the rates we pay our staff make it difficult to recruit and retain [them]. We need to value our direct support staff by funding living-wage salaries."

For decades, this has been the story of a direct support workforce in crisis. Long-term underinvestment in Medicaid has hamstrung community providers' ability to offer wages that are competitive with employers in hourly wage industries, such as retail and fast food. Now, we see clearly the profound impact of these dynamics on the ability of community providers to deliver essential programs and support people with disabilities in their homes and communities.

Medicaid operates as a partnership between states and the federal government to fund certain care services, including those that are essential to the safety and well-being of people with I/DD.

In this system, states determine the scope and payment for services and the federal government provides matching funds at a predetermined rate. This combined funding is then used to reimburse community providers for the services they deliver. These reimbursement rates ultimately determine compensation for DSPs.

Because Medicaid reimbursement rates have failed to keep pace with inflation and rising costs of living, providers are faced with impossible choices: Discontinue serving people who are already being supported? Refuse to serve anyone new who isn't already being supported? Risk the quality of the service you provide by consolidating operations so your limited personnel aren't spread too thin?

None of these choices are ideal, and all of them put access to community further from reach at a time when there are already more than a half-million people with I/DD languishing on states' waiting lists.

To bring these dynamics into sharper focus, ANCOR surveyed 469 disability service providers across 48 states and the District of Columbia about the choices they're making in response to ongoing challenges related to the recruitment and retention of direct support professionals.

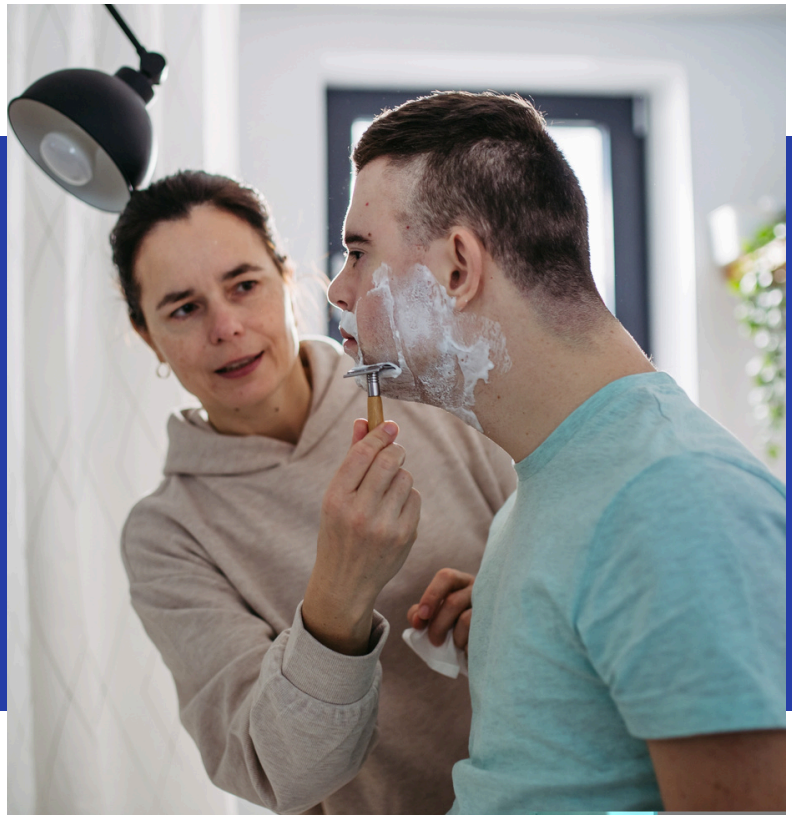
The findings of that survey, which was fielded in August and September of 2025, are outlined in the pages that follow.

THE IMPACTS OF REDUCED FEDERAL MEDICAID FUNDING

07

On July 4, 2025, the budget reconciliation bill was signed into law, with reductions of almost $1 trillion in federal Medicaid funding to states. Even when federal Medicaid funding reductions don't specifically target community-based I/DD services, the resulting pressure on state budgets creates an elevated risk of cuts to optional Medicaid programs, such as community-based supports for people with I/DD.

If states are unable to secure alternative funding for their Medicaid programs, they often choose to reduce funding for community-based services, which in turn exacerbates the current crisis and further destabilizes the direct support workforce.



Impacts on the Availability of Services

The State of America's Direct Support Workforce Crisis 2025 finds that **88%** of providers reported experiencing moderate or severe staffing challenges in the past year, resulting in **62%** of providers reporting that they had turned away new referrals.

These challenges have had a profound impact on the ability of people with I/DD to find and access services. For instance, **29%** of providers reported discontinuing programs and services due to their inability to meet required levels of staffing. These survey results are corroborated by the fact that **59%** of respondents delivering case management services reported that they were struggling to connect people with services.

REFLECTIONS FROM THE FIELD

"We're seeing that the uncertainty of federal funding has left states to make premature cuts or slow new funding allocations."

Without an adequate network of community providers, states remain at risk of violating federal access standards. Moreover, the safety and well-being of the people relying on those services are jeopardized absent the availability of those services to meet their needs.

If the impending reduction of federal Medicaid funding results in state cuts to disability programs, community providers will experience even greater staffing challenges that will preclude them from accepting new referrals, and even those individuals previously on state waiting lists but approved to receive services may find it increasingly difficult to get connected.

When too few community providers have too few staff to deliver services to people newly cleared from waiting lists, those individuals are forced to either forgo services altogether or turn to more expensive and restrictive settings, such as hospitals and institutions, until a provider is available to support them.

Frustratingly, many people on a state's waiting list who are approved to seek services may find themselves back on the waiting list because many states require those cleared from waiting lists to begin accessing services within a specified amount of time. If the person can't locate an available provider within that timeframe, they are placed back on the waiting list, and sometimes at a much lower priority level.

Impacts in Rural Areas

People with disabilities in rural areas often face significant challenges when attempting to access health care services due to a lack of available transportation, limited choice of providers, reduced broadband infrastructure and other factors beyond their control.

This experience is amplified for people with I/DD seeking community-based supports, especially as the ongoing workforce crisis has shuttered programs and closed services at a rapid pace.

When it comes to the situation facing community disability services in rural areas, our 2025 survey reveals that:

- **54%** of respondents reported serving rural residents.
- **42%** of respondents reported recruiting and retaining workforce talent in rural areas.
- **20%** of respondents reported networking with other health care providers to support access to care in rural areas.
- **18%** of respondents indicated utilizing technology-driven solutions to support access to care in rural areas.

The challenges associated with the provision of community-based disability supports in rural areas, primarily due to workforce shortages, are significant.

Without access to community-based services, people with I/DD in rural areas are often forced to turn to more expensive and restrictive forms of care, such as nursing homes and hospitals, to have their needs met. Other individuals must move to more urban areas to receive needed supports, often far away from their families, friends and communities.

REFLECTIONS FROM THE FIELD

"We are [in a rural area] and we feel like we have gone through most of the population in our area that would do this work. I am getting worried there is no one left. We lost 50% of staff for one of our services there within a six-week period."

Impacts on Service Eliminations

Providers reported that the services most frequently eliminated due to ongoing staffing challenges were:

- Residential habilitation services (**44%** of respondents). These services typically offer individually tailored habilitation services that include around-the-clock support and may also include personal care and protective oversight.

- Home-based and day habilitation services (**28%** of respondents). These services generally refer to assistance typically delivered on an hourly basis in acquiring, retaining and improving self-help, socialization, and/or adaptive skills provided in the person's home and community.

Habilitation services such as these are designed to assist individuals in acquiring, retaining and improving the self-help, socialization and adaptive skills necessary to reside successfully in home- and community-based settings.

A workforce crisis and the resulting lack of access to available community-based supports combine to drastically increase the risk of unnecessary and expensive hospitalizations and institutionalizations.

REFLECTIONS FROM THE FIELD

"Turnover is traumatic for the individuals receiving services and impacts health, behavioral, and goal acquisition outcomes in a negative way."

"Constant turnover directly affects individuals as staff get familiar, forge relationships and then leave."

Impacts on Continuity of Care

The inability of community providers to offer robust wages and benefits to DSPs due to inadequate Medicaid reimbursement rates compel many DSPs to leave the profession entirely.

Unfortunately, constant turnover of staff disrupts continuity of care for people with I/DD who rely upon DSPs having a thorough understanding of their unique backgrounds, goals, and likes and dislikes, as well as their behavioral, medical and social needs. This type of comprehensive knowledge about a person is not acquired overnight; it requires DSPs to spend a significant amount of time working with that person.

Increasingly high turnover rates take away those natural on-the-job learning opportunities for DSPs which in turn limits their ability to successfully and safely meet the needs of the people they support.

Impacts on Quality of Care

Community providers are required to report certain events, ranging from significant concerns to minor administrative errors; these events are known as reportable incidents. Our survey findings suggest that high turnover and vacancy rates are contributing to an increased frequency of reportable incidents.

As a result of high rates of turnover and vacancy, the staffing challenges currently faced by community providers may redirect funding away from quality assurance programs to hiring and onboarding.

As a result, **62%** of respondents indicated that they were struggling to achieve quality standards, while **36%** of respondents indicated that they were experiencing more frequent reportable incidents due to staffing shortages.

One reason why inadequate staffing risks diminishing service quality is because providers often rely on supervisory or management staff to render direct care services when DSPs are unavailable. This situation has a direct impact upon quality of care as those individuals who are tasked with training, mentoring, supervising and supporting DSPs, as well as engaging in quality improvement activities, are instead thrust into caregiving roles for extended periods of time.

REFLECTIONS FROM THE FIELD

"Managers, coordinators, and most other administrators are working two or three jobs to try to maintain the quality and standard of work we want to provide and keep up with the demands of the state and federal requirements."

Impacts on Innovation & Program Expansion

The present situation is certainly bleak, and if the workforce crisis is not effectively and expeditiously addressed, the coming months and years will be much worse.

In part, that's because **52%** of respondents indicated that they are considering even further cuts to their programs.

This survey finding represents the single greatest change compared to last year's survey (with only **34%** of respondents considering program cuts in 2024) which exemplifies the high degree of uncertainty surrounding the future of our community-based supports system.

Another consequence of the direct support workforce crisis is its impact on the development of new programs designed to support people who reside in underserved areas and/or have highly specialized needs. To that end, **59%** of respondents reported that they intend to delay the launch of new programs or services absent significant improvement of existing staffing challenges.

RECOMMENDATIONS

13

A healthy and robust direct support workforce is required to ensure the long-term viability of community-based supports for people with I/DD. To that end, below are short- and long-term actions that should be taken by federal and state policymakers to alleviate the current workforce crisis:

Enhance the Federal Medical Assistance Percentage (FMAP) for the Home and Community Based Services program.

This would allow states to increase inadequate reimbursement rates, offer additional opportunities for DSP training and professionalization, and support innovative approaches to the recruitment, retention and advancement of the workforce.

Establish a standard occupational classification for DSPs.

Such a classification would enable data collection to support local, state and federal governments in identifying employment trends. This classification would also help promote sufficient wages for DSPs within underlying reimbursement rates.

Establish systems of access monitoring that compel regular review and necessary adjustments to Medicaid reimbursement rates to fully fund service delivery expenses.

Such systems would ensure the adequacy of rates so that providers cannot only invest in DSP wages, but also in the necessary recruitment and retention efforts that are key to safeguarding access to high-quality services.

Closely monitor the implementation of the budget reconciliation legislation and other federal policies to ensure that people with I/DD and the DSPs who support them are not adversely impacted.

The Trump administration must issue guidance for states to ensure there are no unintended consequences that could jeopardize access to community-based services.

Utilize all available resources and funding opportunities to support community-based services for people with I/DD in rural areas.

This should include, although not be limited to, taking advantage of funding from the Rural Health Transformation Program made available through appropriations authorized in the budget legislation signed into law in July 2025.

CONCLUSION

While the health and stability of the DSP workforce remain at great risk, we still have the opportunity to change course and secure a brighter future—one defined by a strong workforce and unhindered access to community-based supports for people with I/DD.

However, this future will require concerted effort and meaningful investments of resources at both the federal and state levels. This is especially true given the dangerous combination of long-term neglect of the system and the impending reduction in federal Medicaid funding.

Simply put, it's not just enough to hope for a better future for people with disabilities—we must begin the work now before that future slips further from our grasp.

ANCOR stands ready to partner with any lawmaker or advocate committed to addressing the workforce challenges that plague our system of community-based supports. For that reason, we invite you to get involved by visiting the ANCOR Amplifier at amplifier.ancor.org.

And, if you are a policymaker interested in how you can support the needs of your constituents with disabilities, please contact Lydia Dawson, Vice President of Government Relations, at ldawson@ancor.org.

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INVOLVED
ancor.org/amplifier

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TAKE ACTION TO STRENGTHEN AMERICA'S DIRECT SUPPORT WORKFORCE