



Alliance for the **Betterment** of
Citizens with **Disabilities**

Empowering People: Providers Shaping Policies

- The Governor's Proposed Budget includes items that are beneficial for those needing support by DDD providers in the community. This additional money will support additional individuals and their families who have been waiting for quite a while. Specifically, we ask that the following funds be kept in the budget
 - \$10 M to take people off of the Community Care Waiver waiting list
 - \$13.2 M for the Olmstead program;
 - \$5M for 500 new housing vouchers
 - \$41M for general growth: age outs; emergencies; annualized expenses for previous placements.

- We are also appreciative of the one-time contract adjustment for providers totaling \$10 Million for infrastructure costs incurred as the system moves to fee for service. This will provide a 1% adjustment for FY 2107 to each provider. We request that these funds also be maintained in the budget to be submitted by the legislature.

- However, we must bring another very important issue to the table. Despite the items above, the service delivery system for individuals with Intellectual and Developmental disabilities in NJ is experiencing a workforce crisis of unparalleled magnitude. The average salary for DSPs, the individuals who work daily directly with the support recipients is \$10.00. This is not conducive to quality community supports. With no rate increases for the past 8 years it has been increasingly more difficult to hire, train and retain qualified staff members.
 - Direct Support Professionals in New Jersey earn \$24,257 on average while those employed in Developmental Centers earn \$40,350 for comparable positions;
 - Costs, such as healthcare and utilities have increased at a more rapid rate than the CPI (14.1%) over the past 8 years. For example, the Milliman Medical Index, which measures actual expenditures for healthcare, has increased 70.1% during the past eight years.
 - According to the most recent data from the Social Security Administration, the median wage in the U.S. increased 11.7% during the seven year period through 2014. Yet, some providers have been unable to provide a general salary increase to their staff for eight years.

- The National Employment Law Project estimates nearly 49 percent of personal care aides (title of DSPs from the Bureau of Labor Statistics as designated by DDD) receive at least one form of government benefit to supplement poverty level wages, including Medicaid, SNAP, TANF, among other public assistance funds;
- Turnover is also expensive. One provider estimates that the cost of an employee leaving our agencies is approximately \$6,500. This represents the cost of overtime to fill a vacant slot, recruitment and training of a new employee, and the cost of lower productivity, while the new hire is becoming familiar with the specific needs of the individuals whom they will serve.
- Providers are facing unprecedented changes at the state level with a transition to Fee-for-Service as well as changes at the federal level with the Department of Labor's Overtime Rule and the Centers for Medicare and Medicaid Home and Community Based Final Rule.
 - The DOL overtime exemption rule change, as currently proposed, will require providers to pay overtime to anyone making less than \$50,000, as opposed to the current threshold of \$28,000; or, raise everyone's salary to \$50,000 so as to keep them exempt from overtime. This federal mandate comes with no additional funding from CMS!!! Providers have no means of increasing rates.
 - Discussion of raising the minimum wage to \$15.00 will also require increased funding from somewhere. Is the state, if Medicaid will not increase the rates for services and supports, going to be in a position to provide state only funds to keep the doors of providers open? Each \$1.00 increase in salary of DSPs in the DD world will cost \$50 Million dollars. A jump of \$5.00 in the minimum wage will cost a quarter of a BILLION dollars.
- It is incumbent upon the executive and legislative branches of state government to work with the individuals requiring support, their families and the provider community to address the very real issues that threaten the viability of the support system.