THE
Community Equation
COMMUNITY SUPPORT PROVIDERS OF SOUTH DAKOTA

Workforce Impact Report
January 2016

Workforce Vision: Organizational culture, staff development/training, and enhanced use of technology, **coupled with competitive pay**, motivates people to work for Community Support Providers.

Background: Direct Support Professionals (DSPs) are the backbone of our services. Without them, we could not fulfill our mission to promote independence for people with disabilities. DSPs are not only responsible for the health, welfare, and safety of the people we support, but really make the difference between having an okay day, and living a productive life.

Target Areas:

- Increase focus on employee retention and reduction of turnover,
- Increase appropriate compensation,
- Increase focus on training,
- Increase the flow of applicants, and
- Increase applicant hires.

Trend Information:

- **Impact of the DSP Position on CSPs:**
  - **Over 80%** of all CSP positions are DSPs = 3,105 total positions.

- **Retention/Turnover Data for the DSP Position:**
  - Actual turnover for DSPs last fiscal year (FY 2015): 48%.
  - Trend for the current fiscal year (FY 2016): 47%
  - 1,324 DSPs were hired during FY 2015.
  - 1,257 DSPs left during FY 2015.
  - Approximately 37.5% of new hires leave within the first six months.

- **Open Positions:**
  - 435 DSP positions (14%) are currently open.
  - On average, 12.4% of our DSP positions were open all of last year.

- **DSP Duties:**
  - Assist with all aspects of daily living—personal care, employment, residential supports, community involvement, transportation, etc.
  - Provide behavior supports, including crisis intervention. Respond to emergencies.
  - Assist with over 10 million medication passes each year (27,397/day).

- **Overtime Trends:**
  - The trend has increased as openings have remained.
    - Nearly $5 million was paid in overtime for FY 2015.
    - Over $6 million is anticipated for overtime in FY 2016.

- **Current DSP Compensation:**
  - FY 2015 DSP starting wage: $10.35/hour.
  - FY 2015 DSP average wage: $11.43/hour.
  - FY 2014 National Poverty Level: $11.29/hour.
  - Nationally, 50% of DSP families are also on some form of public assistance; 42% in South Dakota.
  - ANCOR (our national trade association) estimates that the U.S. will need 5.0 million more direct care workers by 2020.

- **South Dakota Average Wages for Comparable Jobs:**
  - Home Health Aides: $12.50
  - Social and Human Service Assistants: $11.53
  - Nursing Assistants: $11.36

- **Regional Medicaid HCBS Waiver Annual Cost Per Participant (Braddock)**

Minnesota	+38.0%
Nebraska	+11.3%
Wyoming	0.0%
US National Average ($45,800)	-----
Colorado	-11.0%
Montana	-13.1%
Utah	-18.6%
Iowa	-28.0%
North Dakota	-28.0%
South Dakota	-30.3%

- **Current Federal Mandates CSPs Are Facing:**
  - **Conflict-Free Case Management (Ctrs. for Medicare/Medicaid Serv.)**
    - Effective June 2016, CSPs will no longer be able to offer case management services to those that they support.
    - The Dept. of Human Serv./Div. of Developmental Disabilities will contract with independent providers to make this service available.
    - DHS/DDD will take about $4.9 million from CSPs to pay for it.
    - In addition to the loss of funds, CSPs will lose many of their most tenured and experienced mid-level employees to the new providers.
  - **HCBS Settings Rule (Centers for Medicare and Medicaid Services)**
    - CMS is requiring that services (residential and vocational) be offered in integrated settings where participants have full choice of services and full access to the greater community.
    - While this is what we all wish for, it will challenge some components of the existing system to adjust and comply, within a framework that is feasible and affordable.
    - Maximum group home size will be limited.
    - We're unclear what will happen to day habilitation programs.
  - **Workforce Innovation and Opportunity Act (WIOA)**
    - Signed into law on July 22, 2014.
    - Contains a strong presumption of non-sheltered employment.
    - Primary focus is on "competitive, integrated employment" for all.
    - Facility-based, subminimum wage programs for those not ready for competitive employment will be phased out.
  - **DOL Overtime Rule for Exec., Admin., and Prof. Employees**
    - Officially published by DOL July 6, 2015.
    - Expected to take effect in late 2016.
    - In order to be considered exempt from overtime pay, the proposed rule sets the minimum salary level at $50,440 per year.
    - Most CSP staff (middle and upper management) who are now considered exempt from overtime make less than this amount.
    - CSPs have estimated that if their current exempt staff were paid overtime for hours over 40/week, it would cost collectively:
      - 5 hours per week = $2,344,817
      - 10 hours per week = $4,689,728
      - 15 hours per week = $7,034,638
    - CSPs have no way to recoup these costs.
    - Funding for staffing comes from Medicaid reimbursement rates.

Other Related Initiatives:

- **University of Minnesota Workforce Project:**
  - CSPs are working with the U of MN Research and Training Center to develop a strategic plan for recruitment and retention of DSPs.
  - 11-13-15—Statewide workshop in Rapid City with two U of MN staff.
  - Representative Jacqueline Sly participated.
  - Initial report has come out—December 2015.
  - We are setting up an internal workgroup to develop a strategic plan.
  - We hope to share the results with both South Dakota Legislative Committees on Health and Human Services.
  - One outcome will be a professional career development program for SD DSPs, **which will improve long term staff retention.**

- **Achieving a Better Life Experience (ABLE) Act**
  - Creates a new subsection (f) ABLE account within Section 529 of the Internal Revenue Code.
  - Specifically intended for people with lifelong disabilities.
  - Account balance is limited to $100,000.
  - Allows account funds to be used for disability-related expenses, such as education, housing, transportation, employment support, assistive technology, and health and welfare.
  - DHS is working with the SD Investment Council to draft legislation.
  - Will help people with disabilities be less reliant on government assistance.

Ways the Legislature Can Help CSPs Face the Fiscal Challenges

- **Support the Governor's budget, which includes 2.7% inflation for providers.**

- **Increase Wages for CSP Staff**

  - CSPs have no provision for increasing staff to "market value."
  - **This will impact staff recruitment immediately.**
  - In FY 2015, CSP staff worked 6,439,238 hours.
  - Increasing wages by $2/hr. would cost **$12,878,476 ($5,909,933 GF).**
  - This would equate to an additional 9% total; 4.14% general funds.

- **Cover the Cost of the CMS Mandate on Conflict-Free Case Management**

  - This would cost about **$4,900,000** (3.43%) statewide; **($2,248,610 GF).**
  - This would allow CSPs to keep their current budgets and retain most of their current, experienced staff, who will still be needed to perform many of the duties they are doing now.