

Stop the Workforce Crisis!

Community Support Providers of South Dakota

Our Services

Community Support Providers (CSP) support and serve some of South Dakota's most vulnerable children and adults. Our association consists of 20 providers across the state **servicing approximately 4,500 individuals with developmental disabilities and employing over 3,000 people.** Services include residential, vocational and pre-vocational, nursing, day habilitation, and other specialized programs and services.



The state of SD is responsible for the administration, implementation, and the availability of services to individuals who meet the eligibility requirements. CSPs are the organizations that contract with the state to deliver services to people who would otherwise require institutional care.

Workforce Crisis

The workforce crisis in the developmental disability field is occurring nationally and getting worse.

Causes of the crisis include:

- **High Turnover**— DSP turnover in SD is remarkably high currently at **47.21%**
- **Low Wages/Non-competitive Employment**—SD providers are not able to pay living wages and are forced to compete with low wage service sector jobs. The average wage for direct care staff is \$12.51/hr and the average starting wage is \$11.34/hr
- **High Stress Work Environment**—Services are 24 hours per day and require technical skills including behavioral intervention, medication administration, crisis intervention skills, health and behavioral assessment, personal hygiene care, documentation and reporting, and supporting a person's desired goals
- **Lack of Professional Recognition**— Direct care staff are limited in professional recognition and certifications.
 - **Demographic Shifts**— Women ages 25-64 are the primary workforce and this workforce is shrinking and demand in the next decade will increase nationally by 48%
 - **Increased Survival Rates**— People with developmental disabilities are living longer and our services are typically very long term and in most cases lifelong.



Potential Solutions

Increase Funding to Support a Living Wage

Community Support Providers budgetary need is approximately a **10% increase** or **\$8,388,912** in ongoing state general funds. This funding will:

- Support a living wage for our direct care staff
- Improves employee retention and reduces harmful turnover
- Provides a foundation so CSPs can begin rebuilding service capacity

The state recognizes that competitive wages improve employee retention. This same recognition needs to extend to CSPs who contract with the state to deliver services. **We strongly encourage our state legislators to make wages and adequate funding for our services a top priority!**



Support Indian Health Services (IHS) Shared Savings

Due to a change in Federal policy in 2016, states can claim 100% federal match instead of the FMAP percentage for certain services referred by IHS under Care Coordination Agreements. The change potentially allows for the reinvestment of savings back into applicable service systems in the form of:

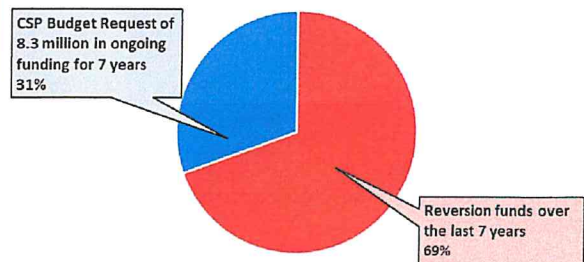
- Increased provider rates
- Shared savings with providers based on the extent they participate in care coordination agreements.

Please note. This will not solve all CSP funding issues. It is one step in a larger effort.

Reinvest Reversion Dollars to CSPs

Over the past 7 years, South Dakota has experienced budget surpluses totaling over 130 million. The Governor's administration and legislators should be applauded for this effort. Our current budget request represents only 31% of the total reversion dollars over the last 7 years.

Budget Reversions Vs. CSP Budget Request



Increasing Wages will Reduce Turnover

Powers and Powers, 2010 showed that raising wages has a significant affect on reducing employee turnover. In general, **an increase of \$2.65 to \$3.38 in wage from an average of \$11.00 per hour reduces turnover by 1/3!**

Snapshots of Success In-State/Out of State

- From 2009-2013 North Dakota providers raised wages by 2.50/hr with a 10% inflation increase reducing turnover by 12.17%
- St. Coletta of Wisconsin in 2016 raised wages to \$13-\$19/hour reducing turnover by 17.8% - 2017 turnover rates were at 20%
- From 2016-2017 Black Hills Works Intensive Treatment Services in Rapid City report a 20% turnover rate with \$15.00/hr wage

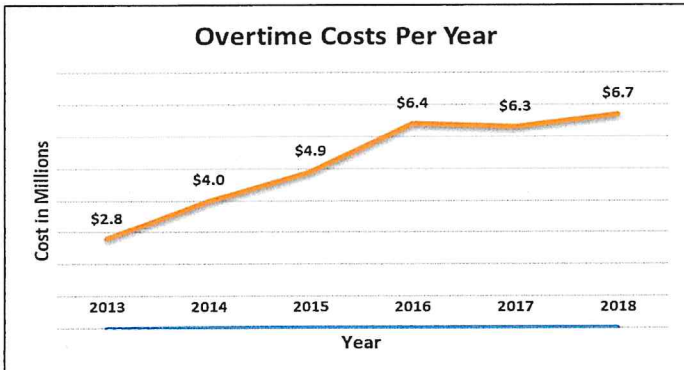
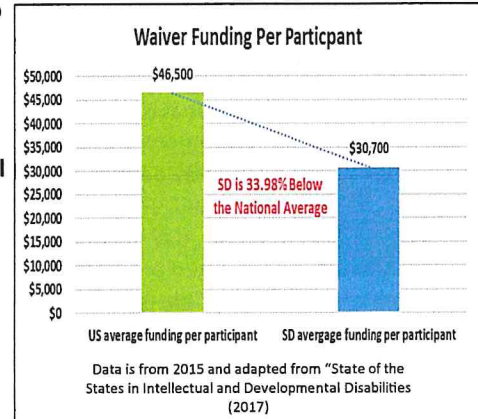
Stop the Workforce Crisis!

Community Support Providers of South Dakota

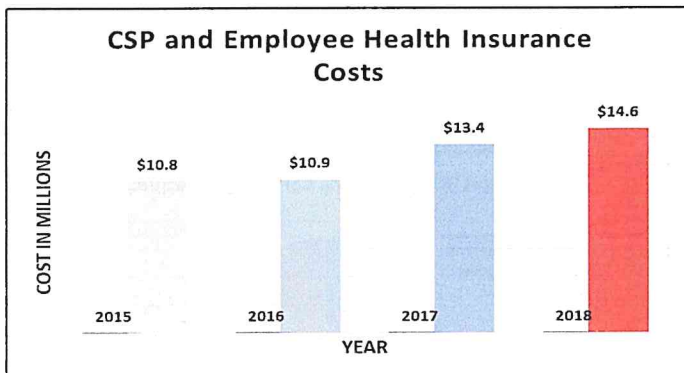
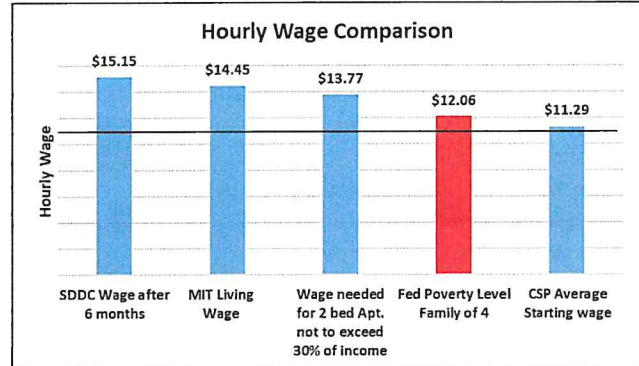
Funding is not Keeping Pace with Operational Costs

Inadequate funding not only affects how much we can pay our employees, but also negatively affects the general operations of our organizations and facilities. Overarching guidance for HCBS (Medicaid) funding states that **“Payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that services under the plan are available to beneficiaries at least to the extent that those services are available to the general population”**. Funding for services has not kept up with operational costs or the labor market.

- CSPs are **77.59% reliant on Medicaid dollars** and the legislature controls what we receive in funding.
- Private insurance does not cover services and the people we serve are too poor to pay privately.
- CSPs cannot raise prices to offset funding shortages.
- Funding for SD providers is 34% below the national average.



CSP overtime costs have grown 139% since 2013 with the majority of growth occurring between 2013-2016. CSPs have not been able to get these costs under control.



CSP employee health insurance benefits have risen 35.19% since 2015 while state funding has only grown 6.6% in the same time frame.

Did you know—it would cost approximately **\$172 million in additional** state general funds if CSPs were to close or did not exist.

Wages Matter!

- CSPs are forced to compete with low level service sector jobs which are now outcompeting our wages.
- Approximately 42% of our direct care workforce qualify for means tested public assistance (e.g. Medicaid, SNAP, housing assistance).

SOUTH DAKOTA CAN DO BETTER

- Consequences**
- Group home closures and consolidations (contrary to federal regulation)
 - Increase in CSP initiated service terminations as a result of provider incapacity
 - Fewer new admissions to services and admissions of people with challenging behavioral and medical situations
 - Increased CSP waiting lists
 - Increased employee injuries and related costs
 - Crises are not being diverted
 - Increased state costs in responding to people in crisis situations which strains SDDC for more admissions as they try to react to these crises