

Save Our Services: South Dakota's Workforce Crisis in Intellectual and Developmental Disability Services



SUPPORT THE NEED!

South Dakota Facts

- South Dakota I/DD providers are over 77.75% reliant on Home and Community Based **Medicaid** funding programs.
- The population receiving services is poor and overwhelmingly qualify for Medicaid.
- Private insurance does not cover these critical services.
- Compared regionally, SD is ranked second to last in per capita HCBS Medicaid spending.
- Demand for services will continue to climb.
- 27% of family caregivers are retirement age (60+ years) which will increase future demand.

Workforce Statistics

Average direct care worker turnover = **46.68%**

Why this Matters:

- No business would accept 46.68% turnover and expect positive results.
- Turnover has created stress and burnout, decreased quality, increased operating costs, created a revolving door, and a dangerous environment.

Average direct care worker vacancy Rate = **16.97%**

Why this Matters:

- Number of positions open across the state = **494**
- Open positions are currently leaving gaps in care.

Average starting direct care worker wage = **\$11.00 per hour**

Why this Matters:

- Poor wages have extremely hurt recruitment and retention over the past year. It is critical to stop the cycle of unproductive costs and attract the people and skill level needed to perform this work in the manner the state needs. NOT supporting higher wages increases costs and adds pressure to institutional services.

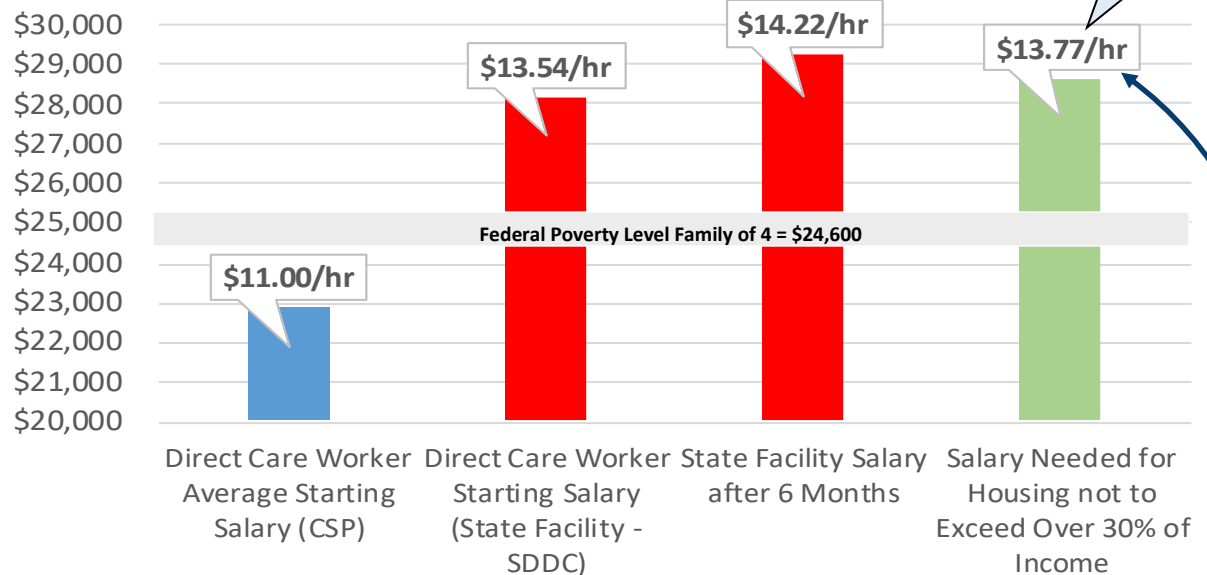
HOW CAN SOUTH DAKOTA'S LEGISLATURE HELP?

- CSPs require a minimum of **\$5,871,969** in ongoing state general funds to compete in the SD labor market
- This funding will raise CSP wages closer to the starting salary at the South Dakota Developmental Center (SDDC) and help prevent wages from falling further behind.

Community Support Providers are Critical in the State's Responsibility in Serving this Vulnerable Population

- CSPs are the state's subcontractors to provide critical services and the funding must meet this obligation.
- The wages that CSPs can afford to pay their direct care workers falls short of a living wage.
- The average daily reimbursement rate for CSPs is \$125 compared to SDDC's rate of approximately \$450.

Direct Care Worker Salary Comparison Between State Facilities (SDDC) and Community Support Providers



WHY THIS MATTERS

- State direct care workers are paid higher rates via state pay scales compared to government funding provided to CSPs for performing the state's mandated work. This is NOT acceptable.
- The state has taken measures to raise state employed direct care staff wages due to their own workforce crisis. It is imperative that this same recognition be extended to CSPs.
- The state pays \$2.54/per hour higher wage than CSPs—\$3.22/per hour more after 6 months.

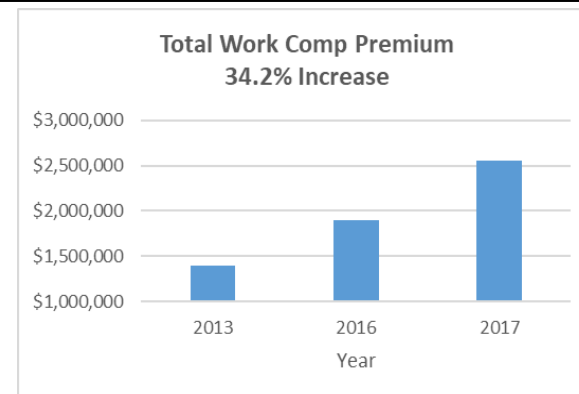
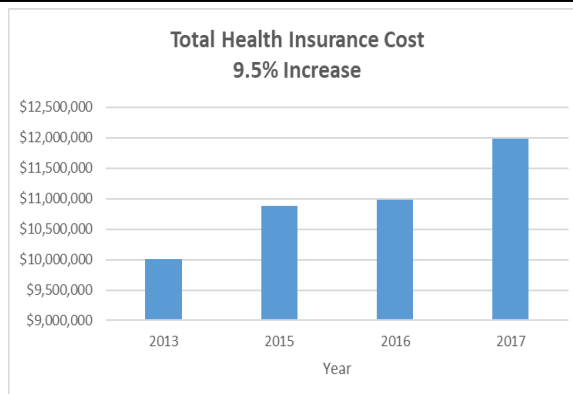
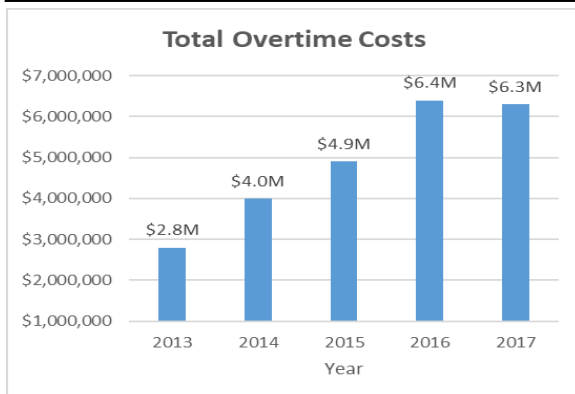
WHY THIS MATTERS

- The majority of CSP direct care workers spend more than 30% of their income on housing (NLIHC, 2016).
- 42% of CSP direct care workers qualify for means tested public assistance (e.g. Medicaid, food and nutrition, housing assistance), (PHI, 2012)
- Investing in wages lifts our direct care workers out of poverty and acts as an economic investment in SD communities.

Support the Need for a Living Wage

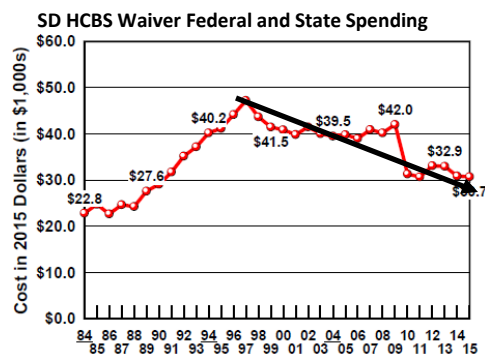
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Workforce Crisis + Demand for Service + Increased Operational Costs (Decreased Funding) = A System in Crisis



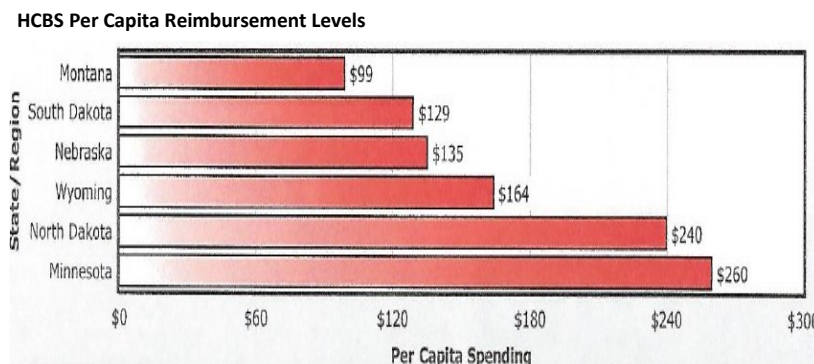
South Dakota Funding Levels and Regional Comparison

- As the workforce crisis worsens, CSP operational costs continue to increase including overtime, health benefits, and work comp premiums.
- CSPs operate on thin margins and their capacity to compensate for reduced funding is extremely limited.
- HCBS Medicaid state/federal funding and other revenue sources available to CSPs (e.g. room and board, various fees, and production work) are not meeting overall CSP expenses. State matching dollars for services have steadily been decreasing and regionally, SD is second to last in state Medicaid Waiver spending.



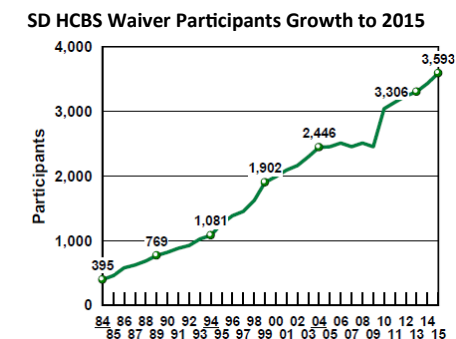
Braddock et al., Coleman Institute and Department Of Psychiatry, University of Colorado, 2017.

Note. Funding is consistently trending downward, FY2018 0.3% increase and FY2019 0% proposed.



Braddock et al., Coleman Institute and Department of Psychiatry, University of Colorado, 2017.

Note. Compared regionally, SD is quickly falling behind neighboring states in overall per capita funding rates.



Braddock et al., Coleman Institute and Department Of Psychiatry, University of Colorado, 2017.

Note. While funding continues downward and costs increase, demand for services consistently trend upward.

What Does All of This Mean?

- Sufficient funding is needed to increase wages and adapt to increased costs of delivering services.
- Combined, these factors have **EXTREMELY WEAKENED** our system of services, leaving some unserved, and diminishing our capacity to serve others.
- Demand for service will continue to rise and the **subcontractors (CSPs)** for these critical services need reimbursement that assures future service and living wages.

Commensurate Wages

+

Competitive Benefits

+

Professional Recognition

=

Reducing the 46.68% Turnover Rate

Support the Need for a Living Wage