
THE POWER OF COLLABORATION: HB 18-1407

THE AGING CAREGIVER & DIRECT SUPPORT WORKFORCE BILL



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BACKGROUND: COLORADO IDD SYSTEM



- 3 primary Medicaid waivers for IDD
 - Developmental Disabilities: adults receive access to 24/7 support including residential
 - Supported Living Services: adults receive intermittent supports in their own homes
 - Children's Extensive Supports: intermittent supports to help keep child in the family home
- Fee-for-Service payment model in waivers ⌚ = \$
- Additional state-only funded programs, local mill levy \$
- Waiver funding accounts for vast majority of services and 90%+ of agency revenues
 - Are there other ways to increase revenue outside of Medicaid reimbursement rates?

IMPETUS FOR THIS LEGISLATION: TOP POLICY PRIORITIES

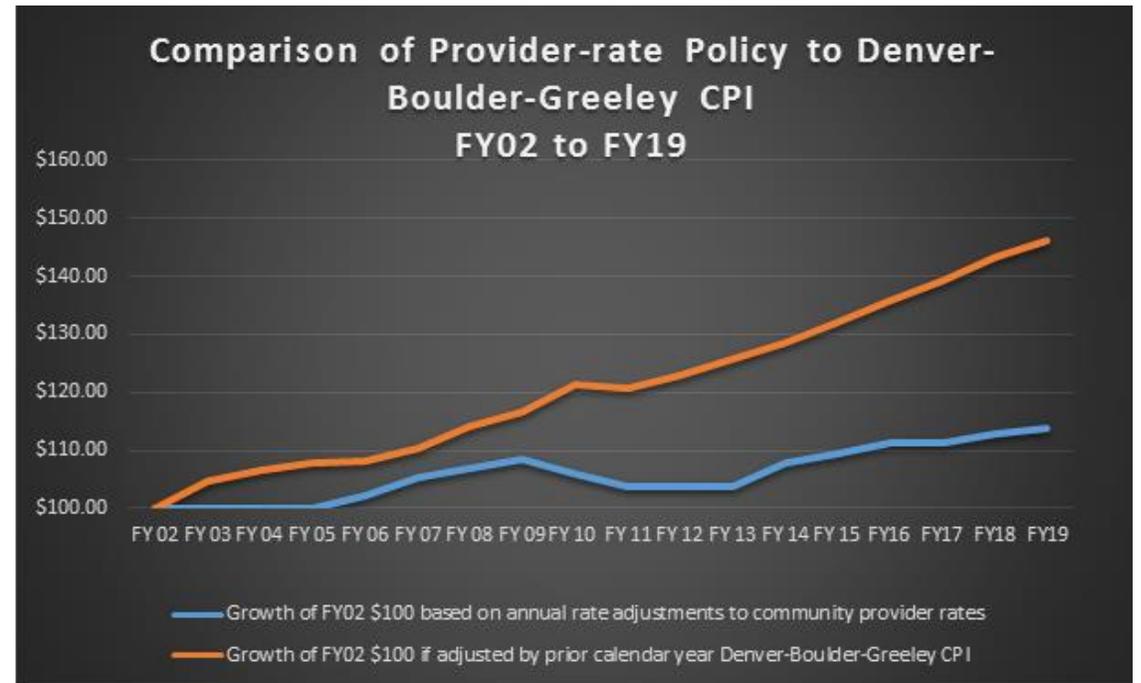
- IDD System Capacity & Sustainability
 - Adequate reimbursement
 - Choice of quality providers (“invisible” waiting list)
 - Stable and qualified direct support workforce
- Eliminate the Waiting List
 - Enroll people waiting
 - Ensure providers to serve new enrollees

BACKGROUND: RATES PROBLEM STATEMENT



A FINANCIAL PERFECT STORM

- STAGNANT Medicaid reimbursement rates +
 - RISING inflation +
 - LOW unemployment +
 - INCREASED regulatory burdens +
 - COSTLY changes to service delivery models
- =
- REDUCED purchasing power for providers,
 - LOW pay & HIGH turnover for DSPs,
 - REDUCED continuity of support,
 - LACK of system sustainability & efficiency, and
 - **REDUCED access to services & choice of provider**



- For every \$1 of services delivered, providers are NOW paid 73 cents
- From 2001 to 2016, the cost of living in Denver metro increased 47.5%, but provider rates rose only 14%

BACKGROUND: WAITLIST PROBLEM STATEMENT



PEOPLE WITHOUT NECESSARY SERVICES

- A years-long (or sometimes decades-long) waiting list for DD waiver services
- Approx. 3,000 and growing
- No plan in place
- Previous attempts had minimal success
- Cost to eliminate the entire waiting list: ~\$190M

LOOK TO NEW APPROACHES



- Previous strategies had modest success

State Fiscal Year	IDD Rate Increase
2015-16	1.7%
2016-17	1%
2017-18	1.4%

- Meanwhile, inflation rose 10%, and the minimum wage rose 34.8%
- TABOR & competing provider types – how to differentiate?
- Previous plans to eliminate the waiting list had no teeth
- Need broad-based support from stakeholders
- Other states?

BREAKING DOWN THE PROBLEM INTO BITE-SIZE PIECES



DSP COMPENSATION

- Avg starting wage for community-based DSPs: \$10.91
- Starting wage for state-employed DSPs: \$14.25+PERA
- Rising minimum wage
- Low wages + strenuous work =
high turnover (avg 39%) & vacancy rates
- Reduced continuity
of support



AGING CAREGIVERS

- People with IDD are living longer
- First 300 on waiting list were 45+
- No advance support for people with IDD who may
be reaching a caregiver crisis



PRIMARY ELEMENTS OF HBI 8-1407



1. A 6.5% rate increase on *most* IDD services with pass-through requirements
 - Services delivered by DSPs and reimbursed on a unit basis
 - Robust accountability
2. 300 new non-emergency DD waiver enrollments
3. A path to help people with caregiver concerns (not just aging)
Plus:
 - Staff Stability Survey
 - More robust monthly waitlist reporting

UNDERSTANDING THE RATE INCREASE



- Effective March 1, 2019
- All funds used for *increasing* DSP compensation
 - DSP: “A **worker** who assists or **supervises** a worker to assist a person with an IDD to lead a fulfilling life in the community through a diverse range of services, including helping the person get ready in the morning, take medication, go to or find work, and participate in social activities. DSP includes all workers categorized as **program** direct support professionals and excludes workers categorized as **administrative**, as defined in standards established by the Financial Accounting Standards Board.” (regularly assists with ADLs and IADLs)
 - Compensation: “Any form of monetary payment, including bonuses, employer-paid health and other insurance programs, paid time off, payroll taxes, and all other fixed and variable benefits conferred on or received by a DSP.”
 - Direct benefit: “Compensation that is directly conferred onto a DSP for their sole benefit and does not include direct benefits to the employing or contracting service agency which may have an indirect benefit to the DSP.”
- Comparison date: June 30, 2018
- Agency flexibility – *not* a 6.5% compensation increase

RATE INCREASE ACCOUNTABILITY



- 3-years of mandatory reporting from agencies
- Report in aggregate using dept. reporting tool
- If report shows non-compliance, dept. may audit
 - Can access all agency financial documents
 - Provider has 45 days to challenge, demonstrate compliance, or submit PoC
 - Dept can accept, reject, or request modifications to PoC
- If all avenues fail, dept. will recoup \$ not spent on increasing DSP compensation

UNDERSTANDING ADDITIONAL WAIVER RESOURCES



- Funded 300 *new, non-emergency DD-comp resources* off the top of the waiting list
 - Amount is *related* to expected number of individuals with aging caregivers
 - Not *reserved for* aging caregivers
 - Allocated like all other non-emergency enrollments
 - Authorized on July 1, 2018



NEW RULES TO PREVENT CAREGIVER CRISES



- New DD emergency criteria
- Enrollment allowed when the primary caregiver:
 - Is no longer in the person's residence to provide care;
 - Is experiencing a chronic, long-term, or life-threatening physical or psychiatric condition that significantly limits the ability to provide care or is otherwise incapacitated;
 - Is 65 or older and providing care poses an imminent risk to the health and welfare of the person or the caregiver;
 - Poses a threat to the health or safety of the person; or
 - Regardless of age and based on the recommendation of a professional, the primary caregiver cannot provide sufficient supervision to ensure the person's health and welfare.

FINANCIAL DETAILS

- COST (half state general fund, half federal funds):
 - \$12.2 million in 2018-2019
 - \$67.4 million in future years
- 5th largest investment CO made in 2018!
- In addition to the 6.5% increase, all Medicaid services received a 1% increase with no pass-through requirement

EVOLUTION: HOW DID IT GET PASSED?

- Unique bill approach: Joint Budget Committee
 - IDD champions on JBC
 - Money in the budget
 - Key legislators terming out
- Learning from other states & stakeholders
 - Built on existing state laws
 - Engaged stakeholders early
- Data & evidence
 - State & national workforce data



EVOLUTION: HOW DID IT GET PASSED?

- Thoughtful bill framing
 - Rates + waiting list
 - Accountability
- Negotiation with Dept. & other stakeholders
 - Targeted Case Management vs 1% rate increase
 - Aging caregivers and “skipping the line”
 - Aging caregiver threshold age
 - Rate increase effective date



EVOLUTION: HOW DID IT GET PASSED?

- **SIGNIFICANT** grassroots and community involvement
 - Letters from DSPs & families
 - Email campaigns
 - Petition
 - Testimony from DSPs, providers, parents, and advocates
- **HARD WORK!**



SUPPORTERS

Advocacy Groups: • AdvocacyDenver • Association of Community Living • Colorado Cross Disability Coalition • Colorado Developmental Disabilities Council • Consulting on Quality • Disability Law Colorado • Families at the Forefront of Technology • FamilyVoices Colorado • JFK Partners • Lehman Disability Planning • The Arc of Arapahoe and Douglas • The Arc of Colorado • The Arc of Jefferson, Clear Creek & Gilpin Counties • The Arc of Larimer County • The Arc of Mesa County • The Arc of Pikes Peak Region • The Arc of Southwest Colorado • The Arc of the Central Mountains • The Arc of Weld County • The Arc of West Central Colorado • The Possibility Pool

Community Centered Boards: • Blue Peaks Developmental Services, Inc. • Colorado Bluesky Enterprises, Inc. • Community Connections, Inc. • Community Options, Inc. • Developmental Disabilities Resource Center • Developmental Pathways • Eastern Colorado Services for the Developmentally Disabled • Envision • Foothills Gateway, Inc. • Horizons Specialized Services • Imagine! • Inspiration Field • Mountain Valley Developmental Services, Inc. • North Metro Community Services • Rocky Mountain Human Services • Southeastern Developmental Services, Inc. • Southern Colorado Developmental Disabilities • Starpoint • STRiVE

Provider Agencies: • A Better Life Experience, Inc. (ABLE) • A Real Difference • Ability Access • Ability Specialists • Activity Options • All Friends, Inc. • Alliance of Therapy Specialists • Altra Services • Ariel Clinical Services • Ascendigo Autism Services • Behavior Services of the Rockies • Belk Model, LLC • Bethesda Lutheran Communities • Boone Guest Home • Bridging Family • C.A.R.E. Inc • CHILL LLC • CommonWorks • Community Advantage • Community Link • Community Living Alternatives • Community Support Services • Continuum of Colorado • Cottonwood Community Alternatives • DESTINY • Devereux • Dirt Coffee • DRM Home Care • Dungarvin Colorado, Inc. • Dynamic Dimensions, Inc. • Easter Seals Colorado • Evergreen Service Providers • FRIENDS of Broomfield • Garden, Inc. • Gray Speak Therapy • Janet Pasterkamp • Jewish Family Service • Jordan Residential and Vocational Services • Karuna Care Services • Laradon • Metro Support Services • Mesa Developmental Services • Mosaic • Oliver Behavioral Consultants • Overture • Parker Personal Care Homes, Inc. • Quality Life Services • Sample Supports • Schaefer Enterprises • Shared Touch, Inc. • Six Points Evaluation and Training, Inc. • Support, Inc. • Thrive Community Options • Triuspa LLC Other supports: • Boulder County • Pueblo County Department of Social Services • Gem Pharmacy

+ almost 3,000 individuals signatures signed our petition in SUPPORT of the bill

OUTCOMES: WAIVER ENROLLMENTS

■ **New Waiver Enrollments**

- Of the 300 (+10 more for turnover):
 - 66 declined
 - 236 accepted
 - 169 have enrolled
 - Remaining awaiting response

■ **New Emergency Caregiver Criteria**

- Predicted 150 additional emergency enrollments *each year*



OUTCOMES: AGENCY EXAMPLES

AGENCY A:

- Direct Care: increased from \$14/hr to \$16/hr starting wage and rising to \$17/hr after one year.
- Supported Living Services DSPs: increased from \$14/hr to \$15.50/hr starting wage and rising to \$16/hr after one year.
- Also, now able to offer:
 - 401(k) – up to 4% total match
 - New Hire Signing Bonuses - new hires receive \$200 on their first paycheck and \$300 after 60 days of employment

OUTCOMES: AGENCY EXAMPLES

AGENCY B:

- Increased all DSP (day program and apartment supports) hourly wage by 10%.
- Program Directors received an 8.87% increase to their salaries.
- Host Home/Family Caregiver Contractors received 8.6% increase to daily contracted rate.

OUTCOMES: AGENCY EXAMPLES

AGENCY C:

- Goals:
 - Target hard-to-fill positions
 - Increase retention of staff
 - Address salary compression
 - Work toward equity across positions
- Agency strategically determined different percentage increases for each eligible, individual position ranging from 3% to 15% depending on the position.
- Were successful with all our goals except for fully being able to address compression.
- DSPS were brought up to a starting rate of \$15/hour which was a 13% increase.
- “Our DSPs overall were very happy with the increases. However, we have had to address concerns from our employees in Coordinator and Supervisor positions because we significantly decreased the pay difference between their positions and positions below them in order to focus on bringing DSPs closer to a livable wage. The pay difference went from about a \$5 to only a \$2/\$3 depending on the position. This is something we know we will need to address sometime in the near future.”

OUTCOMES: AGENCY EXAMPLES

AGENCY D:

- Gave a total \$1.50 per hour increase to DSPs which increased the beginning wage to \$13.25 for Residential and \$11.25 for Day Support/SLS staff.
- Were able to not increase the cost of insurance for staff (despite the costs to the agency increasing from \$478.00 per month/per employee to \$505.90 (these numbers are the agency costs, staff pay around \$128.00).
- Also increased the 401K match contribution (up to 4% per employee) due to the increase in wages.
- “We are seeing additional requests for health insurance due to employees not qualifying for Medicaid because of their wage increase. We have not yet seen an additional influx of folks applying for jobs with us due to the advertised wage increases yet – this may be just a community issue but I am getting the same feedback from my rural peers. We have been hiring two times per month to keep up with staff turnover. With the increase in wages and the filling of open positions there is an increased expense for overtime (which is now for us over \$20.00 per hour).”

OUTCOMES: AGENCY EXAMPLES

AGENCY E:

- Gave Host Home Providers a 6.5% increase on March 1st.
- Raised the starting wage for DSP staff by \$2.75.
- “This has had a significant impact on our ability to hire and retain DSPs. The increase required a pay scale increase for most positions and we have seen positive impacts in those positions as well. The ability to hire and maintain DSP staff has allowed us to offer more services requiring staff. We have been able to serve 6 more individuals to live independently in their own apartments.”



OUTCOMES: AGENCY EXAMPLES

AGENCY F:

- For this first year, our staff are getting bonuses on June 30th based on their FTE level. For eligible full time employees, average bonuses are around \$1000.
- Starting July 1, 2019, eligible employees will receive a 3% increase. All other funds will be distributed in bonuses throughout the year.
- “The process to determine the best way to pass through can be complicated and difficult to explain to employees. We have chosen to do a combination of bonus’ and salary increases.”

OUTCOMES: AGENCY EXAMPLES

AGENCY G:

- All eligible employees received between 6.5%-16.5% rate increase broken out over two pay raises to maximize impact on morale.
 - For example, about 70 Day program DSPs went from a starting wage of \$13/hour to a starting wage of \$14.40 per hour after both increases
 - The first increase used 4 months worth of the increase to fund 6 months worth of salary increase. This meant that when the increases annualized we still had some money on the table for the second increase; we were trying to maximize the impact on morale by doing two increases.
 - In terms of entry level wages we were able to increase our starting wage for Day DSPs by just under 11% and 16.6% for Residential DSPs (we have long wanted to build in a bigger differential between these two wages and this increase gave us the opportunity to do so)..
- “The feedback has been great. Several people have told me they were able to quit working a second job because of the increases



OUTCOMES: QUOTES FROM DSPS

- “Thank you so much for the raise. It is exciting and humbling for the direct care staff to be recognized for the work we do. Your generosity encourages me to always do my best for the people we serve. As a single mom I am excited to be able to provide for my family while working at a job I love. [This agency] has become like a second family to me and I couldn't ask for a better place to work. Thank you again.”
- “ I just wanted to tell you that I highly appreciate the raise that [this agency] has given me and others. Working with these individuals is extremely rewarding, so to receive this excellent news was a great way to motivate me to push myself and my crew to an even higher level.”
- “I wanted to extend my heartfelt appreciation for the raise. I love serving, mentoring and building relationships full of dignity and respect for the people we serve. This is a bonus, and great recognition for my mission at [this agency]. On a personal note, this will help my family, as I am the chief source of income for my disabled husband, my son with autism and teenage daughter. I am so excited to help the individuals to come to program and attend work on a regular basis, to continue to take us as a team to the next level with vocational utilization. Once again thank you for your support and raise in pay.”
- “As a single Mom working two jobs, this raise means I am now able to cut back my hours significantly at my 2nd job so I can be with my family. And, I'm working on saving extra income to purchase a more reliable car. Thank you so much!”

SINCE I 407: THE 2019 SESSION

Rate Increases

- 1% across-the-board rate increase to all services – no pass-through
- 8.1% increase to homemaker, personal care, and respite
 - Must pass through in compensation for employees who perform these services
 - Tracking and reporting like I 407
 - New \$12.41 minimum wage for these employees
- Targeted increases to group residential and respite

Waiver Enrollments

- 399 emergency enrollments in Gov's budget request
- 150 additional *new* DD enrollments!

NEXT STEPS

- **This is just the beginning...**
 - We still have about 3,000 people on the DD waiting list
 - We have a long way to go before we will have a stable and sustainable service system
 - Already losing ground on I407 investment
 - Workforce issues will continue
 - Cost of services continues to rise
 - Need long-term approaches to both issues

LESSONS LEARNED

- **Research is critical**
- **Collaboration works**
- **Negotiation matters**
- **Timing is important**
- **Rule-making can change everything**
- **Agency-based implementation will illuminate future approaches**

QUESTIONS (AND HOPEFULLY A FEW ANSWERS)



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*Thank
you!*