

# A System in Crisis

Community Provider Network of Rhode Island

The Community Provider Network of Rhode Island (CPNRI) is compelled to express its deep concern for the stability of the intellectual and developmental disability delivery system. The following recommendations are requested for immediate State action to address the mounting workforce crisis the Developmental Disability Organizations (DDO) are experiencing related to the COVID-19 pandemic and long-term compression of Medicaid rates. CPNRI believes there will be serious and potentially disastrous impacts to the service delivery system supporting individuals with intellectual and developmental disabilities if actions to directly stabilize this workforce are not taken. It is incumbent upon the State to ensure the safety and well-being of Rhode Island residents. There is no greater responsibility or priority of the government.

The delivery system consists of both residential options and day programming options that are inclusive of facility-based services, community-based services, and employment services. Day programming services are often delivered in group settings and, in most instances, involve the coordination of transportation and activity transitions within these groups. Due to COVID-19, a large part of this delivery system was halted and has yet to resume to pre COVID-19 levels due to safety concerns and the lack of a workforce to provide an individualized approach to services. Many individuals who live at home with their family members, independently or within a Shared Living Arrangements (SLA), have been left without day services due to COVID-19.

Medicaid services, particularly home and community-based habilitative long-term services, are entirely reliant on staffing to deliver support. In the absence of staff, **services cannot** be provided. It is CPNRI's recommendation that the State take the following steps to ensure access to services and supports for individuals with intellectual and developmental disabilities.

- **Stabilize Essential Direct Care Workforce**
- **Personalize Services**

**Work Force:** The workforce is the vital asset of Medicaid providers. Without a stable workforce, services cannot be delivered. During COVID-19, service delivery models have required significant changes to operations and staffing support models. Unfortunately, at a time when more staff are needed to support individuals, we are experiencing higher turnover rates and vacancies, leaving many individuals and families without services.

DSPs are the foundation of the service delivery support system, yet on average DSPs make \$13.00 per hour. These are poverty wages for essential workers that support and improve the lives and well-being of some of our most vulnerable citizens. Currently the provider community is unable to meet the needs of the community due to staffing shortages which are a direct result of the low wage reimbursement offered by Medicaid. Recruitment efforts are largely unsuccessful due to the low wages offered, particularly now due to the risks associated with providing direct care. A quick review on available jobs in Rhode Island clearly demonstrates the DSP wages fall below many entry level jobs, including retail and customer service; delivery, stock and warehouse positions; restaurant staff; janitorial positions; etc., yet DSPs are providing essential services in the community.

National research has shown that increasing wages reduces turnover and vacancy rates. A clear example that supports this premise in Rhode Island was the Workforce Stabilization Fund (WSF) and temporary rate increase. Providers reported a temporary stabilization of the workforce while resources were provided for a two-month period which allowed providers to increase wages for group home workers an average of \$3.00 per hour in addition to the WSF stipend. Unfortunately, both programs ended on June 30, 2020.

Fiscal Projections for Wage Increases

CPNRI strongly recommends the State of Rhode Island invest in the workforce to stabilize the service delivery system for individuals with intellectual and developmental disabilities. There have been consistent small-scale investments in the workforce that have unfortunately done little to stem the mounting disparity between the professional work required of this workforce and the rising wages of entry level positions. CPNRI values all workers, professionalized and unskilled – we recognize all employment as meaningful. To be clear, CPNRI is not suggesting compression of unskilled or entry level worker wages; rather we are strongly advocating for appropriate compensation for this essential and skilled workforce.

To address the increasing turnover and vacancy rates providers are experiencing, CPNRI is recommending raising wages for staff to \$17.50 per hour, at a general revenue cost of \$37.0 million. This wage is consistent with the public Medicaid delivery system compensation for direct care workers who are offered approximately \$18.00 per hour as a starting wage as well as a robust benefit package, for the same work. The below Wage Rate Scenario table details three estimated costs to the Medicaid program to increase wages to \$15.50, \$17.50, and \$20.00 per hour for DSPs. CPNRI is recommending an immediate increase to \$17.50 per hour in 2021 and \$20.00 per hour in 2022.

Wage Rate Scenarios			
	Estimated All Funds Expenditures	Est. Net All Funds Impact from Baseline w/ Ann'l. Budgets	
\$15.50 DSP Wage Rate <sup>2</sup>	\$ 312,724,740	\$ 44,058,942	16.4%
\$17.50 DSP Wage Rate <sup>2</sup> (CPNRI 2021 recommendation)	\$ 348,430,616	\$ 79,764,818	29.7%
\$20.00 DSP Wage Rate <sup>2</sup>	\$ 393,192,952	\$ 124,527,154	46.4%

2) Alternative wage rate scenarios maintains wage relativities between the DSP rate and other staff wage rates; keeps all other assumptions related to fringe/ERE, admin, and program expenses at the current rates reflected in the B&A rate model

**Personalized Services:** Prior to COVID-19, Rhode Island had established the policy goal of increasing community-based day programming for long-term care Medicaid beneficiaries. This policy goal and system transformation had long been advocated for by community-based providers and advocates. The Centers for Medicare and Medicaid Services (CMS) requires States to ensure access and priority of choice for community placement and the 2014 Consent Decree requires the State to ensure access to person-centered integrated community-based programming and employment services. Unfortunately, this

policy imperative has done little to strengthen the existing developmental disability delivery system or move toward individualized service delivery.

COVID-19 has thrust a system that was developed and FUNDED as a facility-based service delivery system into one of personalized services, to mitigate the risk of infection among a population known to be vulnerable to the effects of acquiring the infection. While this goal is programmatically where service delivery providers have long wanted to transition toward, the long-term effects of neglect on this system prevent the provider system from being agile and responsive to meet the demand and needs of the community during the COVID-19 pandemic.

This is due to inadequate reimbursement models that do not support professional wages for direct care workers and associated costs for providing those services. Providers **must** be able to recruit, train, and retain staff to have a functioning Medicaid service delivery system. Personalized services require increased numbers of staff and funding for Medicaid services. Currently individuals receive “pre-determined” units of services and funding allocations. Personalized services would require more units of service and flexibility in how the services are delivered.

The below Personalized Day Support Allocation table includes the above assumption of annual budget authorizations, \$17.50 wage rate, and conversion of units of services on a 1:1 delivery model and associated independence factors, at a general revenue cost of \$52.2 million.

Fiscal Projections for Personalized Services at \$17.50 per hour

Personalized Day Supports Allocation			
	Estimated Expenditures	Est. Net Impact from Baseline w/ Ann'l. Budgets	
\$17.50 DSP Wage Rate <sup>2</sup> ; Reconfigured Day Supports-v1 <sup>3</sup>	\$ 381,582,944	\$ 112,917,146	42.0%
\$17.50 DSP Wage Rate <sup>2</sup> ; Reconfigured Day Supports-v2 <sup>4</sup>	\$ 427,426,678	\$ 158,760,880	59.1%

3) Reflects alternative Day Supports funding levels based on consumer needs, expressed as the average level of consumer "independence" in each Tier and Setting, as per the Alternative Day Supports matrix. Supports are assumed to be provided at the community-based day rates and at 1:1 staff ratio

4 )Reflects alternative Day Supports funding levels based on consumer needs, expressed as the average level of consumer "independence" in each Tier and Setting, as per the Alternative Day Supports matrix, set to deliver a minimum of 20 hours per week for Tiers A & B, and 32 hours per week (1,536 quarterly units) for Tiers C, D & E. Supports are assumed to be provided at the community-based day rates and at 1:1 staff ratio

**Note:** Estimated expenditures are based on all funds (federal and general revenue) and for a full 12 month period of expenditure

Of note, v2 included in the above table accounts for increasing the number of service hours that an individual receives. Currently, individuals receive service hours based on group service. As the system

transitions to individualized supports, the needs of individuals will require more service hours based on the current rate methodology.

## Conclusion

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The recommendations in this report are strong, require a financial investment, and call on our State leaders to act boldly and deliberately to stabilize a system in crisis. We have reached the point where decisions must be made in the interest of the citizens: individuals with intellectual and developmental disabilities and the exceptional workforce that provides direct services to those individuals and families they support.

Failure to act on the most immediate pressing issue plaguing this system, workforce, will result in a collapse of the system and the ideals of the movement toward community inclusion and equality for individuals with intellectual and developmental disabilities. The effects of COVID-19 are ever present to the hundreds of individuals and families who cannot receive services today and for the foreseeable future if no action is taken. The harsh reality is that the essential direct care workforce has been left behind in any economic advancement, which is an injustice that we must and can correct.

We are experiencing a crisis of magnitude hardly seen in our country before. We can choose to rise to the challenge or leave behind our citizens. Rhode Island must choose to rise. Rhode Island must value Rhode Island workers and our most vulnerable citizens. The time to act is now--there is no greater responsibility of our government than the well-being and protection for the most vulnerable among us.

Model Assumptions

- The existing rate methodology will be utilized to demonstrate projected costs. Projections are based on 2019 actual claims and pre COVID-19.
- Assumptions include a full implementation of wages per hour against 2019 utilization factors for a 12-month period.
- Due to COVID-19, it is acceptable to assume scenarios of utilization are higher than what would reasonably be expected due to the shortage of workers, scale up of the delivery of services, and the ongoing pandemic conditions.
- Estimated expenditures are total expenditure, All Funds (Federal and General Revenue). The State portion of the expected cost is 46.2 percent of total cost.
- The Burns and Associates (B&A) rate model and the simulation model included in the NESCSO report to BHDDH were utilized to develop the cost estimates for the different scenarios posited by CPNRI.
- As well, a 20-cell Day supports matrix was developed to estimate average hours per week of needed Day supports based on 1:1 and 1:3 staff ratios at various levels of distribution between the two staff ratios, delivered at the community-based Day rate level. The estimated average hours of needed Day supports are driven by assumptions around average consumer independence levels, by Tier and Setting.
- To wit, an assumption of an average consumer’s independence level (including the availability of natural supports) indicates an estimated number of hours per week of direct support needs from a DSP, which is then further delineated into the intensity of said direct supports, as represented by staff ratios – **see Table 1.**

***Note:** This assumption is a baseline indicator and individual needs vary*

- The baseline estimate period is SFY 2022 and assumes current (as of August 2020) DSP wage rates (\$13.18) and other staff, fringe, overhead and other such assumptions built into the B&A rate development model.
- The baseline estimate incorporates forecasted caseload estimates for SFY 2022, based on historical observations in the growth of the caseload by Agency-Based vs. Self-Directed, and by Tier and Setting.

***Note:** Forecasted caseload excludes RICLAS and institutional consumers*

- Baseline cost estimates were derived by applying historical utilization rates (expenditures) relative to the B&A rate model packages for Agency-Based and Self-Directed, and by Tier and Setting, to the baseline SFY 2022 B&A rate model allocation packages.
- For the first scenario, to estimate the cost impact of equalizing the funding authorization and flexibility of spending for the Agency-Based with that of the Self-Directed, the utilization rates (by Tier and Setting) for the Self-Directed were used as a proxy for the Agency-Based. In general, and all things being equal (*ceteris paribus*), annual authorizations and flexibility in spending for the Self-Directed appear to result in higher rates of utilization of authorized supports and services, with one possible interpretation being that supports and services are utilized when needed, which may vary from month to month and quarter to quarter – **see Tables 2a and 2b.**
- For the second scenario and its variations, different DSP wage rates were substituted in the B&A rate model to derive revised allocation packages, from which cost estimates were developed with the simulation model. The simulation also incorporated equalization of the authorization periodicity for the Agency-Based to match the Self-Directed, as in the first scenario. In this scenario and its variations, the wage relativities between the DSP and other staff positions were maintained as per the B&A rate model to derive wage rates for other staff positions. Model assumptions stated as a percentage of cost build-up were also maintained at the current levels reflected in the B&A rate model – e.g. admin rate was maintained at 10% - **see Table 3.**
- For the third scenario, the aforementioned 20-cell Day supports matrix of the needs- and independence-based Day supports algorithm (see Table 1) was integrated into an alternative Day supports package calculation and incorporated into the B&A rate model package rates. The revised package rates were run through the simulation model to estimate the cost impact. Equalization of the authorization periodicity and spending flexibility between Agency-Based and Self-Directed was also incorporated into the simulation model, as in scenarios 1 and 2. For this scenario, the DSP wage rate assumption was \$17.50 per hour, and Day supports were assumed to be delivered solely at a 1:1 staff ratio.
- For the fourth scenario, the aforementioned 20-cell Day supports matrix was modified to include a minimum threshold of 20 hours per week of Day supports for Tiers A and B, and the maximum 30-32 hours per week (1,536 quarterly units) for Tiers C, D and E. Following this adjustment, the revised Day supports matrix was integrated into an alternative Day supports package calculation and incorporated into the B&A rate model package rates. The revised package rates were run through the simulation model to estimate the cost impact. Equalization of the authorization periodicity and spending flexibility between Agency-Based and Self-Directed was also incorporated into the simulation model, as in scenarios 1, 2 and 3. For this scenario, the DSP wage rate assumption was \$17.50 per hour, and Day supports were assumed to be delivered solely at a 1:1 staff ratio.

**Exhibit 1**  
**Table 1**

	<b>Proposed Reset of Baseline</b>				
		<b>Estimated Expenditures</b>	<b>Estimated Net Impact</b>		
0	Baseline FY '22 Estimate (at FY '20 wage rates):	\$ 250,311,629			
0.1	Baseline with Annual Budgets & Flexible Spending <sup>1</sup>	<b>\$ 268,665,798</b>	\$ 18,354,169	<b>7.3%</b>	
	<b>Wage Rate Scenarios from Proposed Reset Baseline</b>				
		<b>Estimated Expenditures</b>	<b>Est. Net Impact from Baseline w/ Ann'l. Budgets</b>		
1	\$15.50 DSP Wage Rate <sup>2</sup>	\$ 312,724,740	\$ 44,058,942	<b>16.4%</b>	
2	\$17.50 DSP Wage Rate <sup>2</sup>	\$ 348,430,616	\$ 79,764,818	<b>29.7%</b>	
3	\$20.00 DSP Wage Rate <sup>2</sup>	\$ 393,192,952	\$ 124,527,154	<b>46.4%</b>	
	<b>Alternative Day Supports Allocation</b>				
		<b>Estimated Expenditures</b>	<b>Est. Net Impact from Baseline w/ Ann'l. Budgets</b>		
4	\$17.50 DSP Wage Rate <sup>2</sup> ; Reconfigured Day Supports-v1 <sup>3</sup>	\$ 381,582,944	\$ 112,917,146	<b>42.0%</b>	
5	\$17.50 DSP Wage Rate <sup>2</sup> ; Reconfigured Day Supports-v2 <sup>4</sup>	\$ 427,426,678	\$ 158,760,880	<b>59.1%</b>	
	<sup>1</sup> Incorporated the "Paid-to-Package" utilization rates of the Self-Directed as a proxy to estimate the impact of annual authorizations and flexible spending				
	<sup>2</sup> Alternative wage rate scenarios maintains wage relativities between the DSP rate and other staff wage rates; keeps all other assumptions related to fringe/ERE, admin, and program expenses at the current rates reflected in the B&A rate model				
	<sup>3</sup> Reflects alternative Day Supports funding levels based on consumer needs, expressed as the average level of consumer "independence" in each Tier and Setting, as per the Alternative Day Supports matrix. Supports are assumed to be provided at the community-based day rates and at 1:1 staff ratio				
	<sup>4</sup> Reflects alternative Day Supports funding levels based on consumer needs, expressed as the average level of consumer "independence" in each Tier and Setting, as per the Alternative Day Supports matrix, set to deliver a minimum of 20 hours per week for Tiers A & B, and 32 hours per week (1,536 quarterly units) for Tiers C, D & E. Supports are assumed to be provided at the community-based day rates and at 1:1 staff ratio				



Example of Alternative Day Supports Allocation Methodology						
The Assumptions below should be considered place-holders, NOT recommendations						
1,536	Qtrly, 15-minute units =	32.0	Hrs./ Week			(1,536 / 12 [wks in Qtr.]; /4 [15-min segments in 1 hr.])
Current B&A CBD Funding	Tier A	Tier B	Tier C	Tier D	Tier E	Funding   Hours - (hrs. est. to the nearest 1 hr.)
	\$ 2,104	\$ 2,197	\$ 4,286	\$ 8,140	\$ 10,841	funding levels based on 60/40 CBD/Ctr staff ratios
	6.0	6.0	13.0	24.0	32.0	<-- Hrs/wk If delivered at 1:1 Ratio (at 100% CBD rate)
	13.0	13.0	26.0	32.0	32.0	<-- Hrs/wk if at 1:2 Ratio   Max 1,536 qtrly units
	18.0	19.0	32.0	32.0	32.0	<-- Hrs/wk if at 1:3 Ratio   Max 1,536 qtrly units
Tier / Setting	Tier A	Tier B	Tier C	Tier D	Tier E	Independence /natural supports & staff Support Level
LWF	75%	55%	40%	15%	0%	Independence / Natural Supports
	100%	100%	100%	100%	100%	1:1 Staff Ratio
	0%	0%	0%	0%	0%	1:3 Staff Ratio
I L	75%	55%	40%	15%	0%	Independence / Natural Supports
	100%	100%	100%	100%	100%	1:1 Staff Ratio
	0%	0%	0%	0%	0%	1:3 Staff Ratio
G H	75%	55%	40%	15%	0%	Independence / Natural Supports
	100%	100%	100%	100%	100%	1:1 Staff Ratio
	0%	0%	0%	0%	0%	1:3 Staff Ratio
SLA	75%	55%	40%	15%	0%	Independence / Natural Supports
	100%	100%	100%	100%	100%	1:1 Staff Ratio
	0%	0%	0%	0%	0%	1:3 Staff Ratio
Tier / Setting	Tier A	Tier B	Tier C	Tier D	Tier E	Needed Hrs/wk of DSP Support & Support Level
LWF	8.0	15.0	20.0	28.0	32.0	<--Total Hrs/Wk of DSP Support
	8.0	15.0	20.0	28.0	32.0	@ 1:1 Staff Ratio
	-	-	-	-	-	@ 1:3 Staff Ratio
I L	8.0	15.0	20.0	28.0	32.0	<--Total Hrs/Wk of DSP Support
	8.0	15.0	20.0	28.0	32.0	@ 1:1 Staff Ratio
	-	-	-	-	-	@ 1:3 Staff Ratio
G H	8.0	15.0	20.0	28.0	32.0	<--Total Hrs/Wk of DSP Support
	8.0	15.0	20.0	28.0	32.0	@ 1:1 Staff Ratio
	-	-	-	-	-	@ 1:3 Staff Ratio
SLA	8.0	15.0	20.0	28.0	32.0	<--Total Hrs/Wk of DSP Support
	8.0	15.0	20.0	28.0	32.0	@ 1:1 Staff Ratio
	-	-	-	-	-	@ 1:3 Staff Ratio
Needed Hrs/Wk with Minimum Set Hrs.Wk						
Min =	20.0	20.0	32.0	32.0	32.0	
Tier / Setting	Tier A	Tier B	Tier C	Tier D	Tier E	Needed Hrs/wk of DSP Support & Support Level
LWF	20.0	20.0	32.0	32.0	32.0	<--Total Hrs/Wk of DSP Support
	20.0	20.0	32.0	32.0	32.0	@ 1:1 Staff Ratio
	-	-	-	-	-	@ 1:3 Staff Ratio
I L	20.0	20.0	32.0	32.0	32.0	<--Total Hrs/Wk of DSP Support
	20.0	20.0	32.0	32.0	32.0	@ 1:1 Staff Ratio
	-	-	-	-	-	@ 1:3 Staff Ratio
G H	20.0	20.0	32.0	32.0	32.0	<--Total Hrs/Wk of DSP Support
	20.0	20.0	32.0	32.0	32.0	@ 1:1 Staff Ratio
	-	-	-	-	-	@ 1:3 Staff Ratio
SLA	20.0	20.0	32.0	32.0	32.0	<--Total Hrs/Wk of DSP Support
	20.0	20.0	32.0	32.0	32.0	@ 1:1 Staff Ratio
	-	-	-	-	-	@ 1:3 Staff Ratio

Table 2a

Estimated Paid to Package Utilization Ratios					
Agency Based					
Setting	Tier A	Tier B	Tier C	Tier D	Tier E
Living w/Family	56.9%	60.7%	60.1%	59.5%	56.5%
Living Independent	51.2%	64.8%	71.1%	70.4%	56.6%
24-hr. Residential	96.6%	118.0%	109.0%	93.7%	99.9%
SLA	80.3%	87.0%	83.0%	69.6%	79.6%

Table 2b

Estimated Paid to Package Utilization Ratios					
Self-Directed					
Setting	Tier A	Tier B	Tier C	Tier D	Tier E
Living w/Family	88.9%	80.0%	82.0%	82.7%	70.3%
Living Independent	70.6%	82.8%	88.2%	103.4%	80.0%
24-hr. Residential	n/a	n/a	n/a	n/a	n/a
SLA	61.6%	110.4%	97.2%	88.4%	84.9%

Table 3

Hourly Wage	Baseline	Simulation Scenarios		
Direct Care Staff (DSP)	\$13.18	\$15.50	\$17.50	\$20.00
Direct Care Overnight	\$9.89	\$11.63	\$13.13	\$15.00
Direct Care Supervisor	\$18.41	\$23.25	\$26.25	\$30.00
Support Coordinator	\$21.47	\$27.13	\$30.63	\$35.00
Job Developer	\$21.47	\$27.13	\$30.63	\$35.00
Professional	\$27.52	\$35.81	\$40.43	\$46.20
Fringe Benefits *	Baseline	Simulation Scenarios		
Direct Care Staff	35.0%	35.0%	35.0%	35.0%
Direct Care Supervisor	30.0%	30.0%	30.0%	30.0%
Support Coordinator	30.0%	30.0%	30.0%	30.0%
Job Developer	30.0%	30.0%	30.0%	30.0%
Professional	30.0%	30.0%	30.0%	30.0%
Admin Percentage	10.0%	10.0%	10.0%	10.0%
* Includes the cost of health insurance premiums, dental insurance, vacation time, sick leave, personal days, life insurance, disability insurance, unemployment insurance.				