



May 18, 2020

**TO: Governor Kate Brown
DHS Director, Fariborz Pakseresht
Co-Chair, Sen. Betsy Johnson
Co-Chair, Sen. Elizabeth Steiner Hayward
Co-Chair, Rep. Dan Rayfield
Subcommittee Co-Chair, Sen. Lee Beyer
Subcommittee Co-Chair, Rep. Rob Nosse**

FR: Intellectual and Developmental Disability Community Stakeholders

RE: DHS 8.5% Reduction Exercise – Impact to Individuals with Developmental Disabilities

Thank you for your continued work on behalf of Oregonians in this challenging time of Coronavirus crisis. We know Oregon is strongest, before and after the COVID-19 crisis, when all citizens are supported to be healthy and safe in our communities. The organizations signing this letter represent Oregon’s Intellectual and Developmental Disability (IDD) Community, including people experiencing IDD, their families, providers, support services brokerages and advocacy organizations.¹

We understand the difficult budget exercise the Department of Human Services needed to conduct in preparation for future budgeting scenarios and we appreciate the difficult position you find yourselves in today as you look at Oregon’s revenue resources and agency resource needs. Yet, with the proposed cuts, Oregonians experiencing IDD, their families, and all of our communities will lose significant supports that will jeopardize their lives, jobs, communities, as well as Oregon’s Medicaid and Olmstead compliance responsibilities. We know there will be cuts, yet the intellectual and developmental disabilities service system is still reeling from historic underfunding and cannot withstand additional reductions.

Provider Rates and Direct Support Professional Wages:

Before the COVID-19 crisis, as you know, the IDD workforce was already in crisis – and today has answered the call to stay on the frontline and provide service. The wages and benefits for this work are already grossly uncompetitive and face the rising pressure of a minimum wage increase on July 1, 2020; one that sadly will put many of average direct support professional (DSP) salaries on par with the starting wage for jobs at local fast food restaurants. This disparity is compounded by the fact that each year over the next two bienniums the minimum wage will continue to increase, while the wages in our funding models continue to stay flat, and now with these proposed budget cuts they may actually decrease. Today, these workers need relief with increased wages so they can continue to support people with IDD to stay healthy and safe.

The decisions you make in the weeks and months to come will directly impact the health and safety of Oregonians experiencing IDD and their families. Without the necessary funding, people will be placed at serious risk. Below, we have outlined the most significant areas of concern for our IDD service system, including providers who are already

¹ Oregon Self Advocacy Coalition (a coalition of people experiencing IDD), Oregon Resource Association and Community Provider Association of Oregon (IDD provider associations), and the Oregon DD Coalition (coalition of people experiencing IDD, their families, providers, support services brokerages, peer-support and advocacy organizations).



dangerously underfunded. We have provided specific examples of what each of the cuts would mean to the day-to-day services. We hope this information will guide your decision making and prioritization of necessary cuts.

People experiencing IDD and their families rely on DSPs every day to support them to stay healthy and safe as they work and live in our communities. This is simply a workforce that can't survive additional cuts. They are truly already a workforce in crisis. We strongly urge all cuts, if necessary, redirect away from anything that will impact DSP wages.

The impact of a proposed \$10.5M reduction:

- Would eliminate all attempts by the Legislature to increase the average DSP wages to \$15 an hour. Without this increase, our average wage will hold at \$14.38, and even more troubling it leaves the starting wage for this workforce at very close to minimum wage.
 - Oregon's minimum wage will increase by .75 cents per hour in July 2020, closing the gap between starting wages and minimum wages to cents, not dollars. DSP work is not minimum wage work. These are essential workers making life and death decisions and providing vital health and safety supports for this vulnerable population.
- Compounds the impact of cuts and reductions already taken. Providers were promised a 7% increase in July of 2020 to support increasing Direct Support Professional wages to combat the staffing crisis and compete with continued minimum wage increases – this will not happen and many are well underway in their budgeting for 2020-2021.
- Impacts the State partnership with Agency I/DD providers who predominately rely on State funding. The two most significant drivers in this funding are wages and hours of service. These two factors make up the majority of provider rates, so cuts have a direct impact on these factors. In turn, this impacts the quality of service each person receives. It is the way our funding is built.
- Places people with IDD at serious risk. Without necessary supports, these individuals may have no choice but to seek higher, crisis level of care. These transitions will cause trauma and destabilize their homes, jobs and community life. In addition, provider cuts will impact employment services for people with IDD that Oregon has created under Lane v. Brown settlement.
- Eliminates or greatly reduces services Oregonians with IDD depend on, making it more difficult for people with IDD to exercise self-determination and to live and work in the most integrated setting while offering choice in services, providers, goals and activities.
- Routes federal funding away from Oregon. Provider services are heavily matched with Federal dollars in Oregon's Medicaid system. For every General Fund dollar spent here, the federal match brings in roughly three dollars. The majority of these services are provided in the K Plan and matched at 66% federal and 34% general fund. Additionally, there is an additional 6.2% coming in through Family First Coronavirus Relief Act. It is critical that be credited to the DD system to off-set cuts.

The ODDS reductions list outlined provider rate cuts including: eliminating planned provider rate increases (which would hold DSP wages at \$14.38/hour), reducing group home and supported living rates, reducing children's group home rates, reducing in-home provider agency activities of daily living supports, reducing day support activities, eliminating employment path services, reducing job coaching.

Elimination of Services and System Access:

Many of the ODDS reductions reduce or eliminate services or access to services (eligibility) posing risks to Oregonians with IDD, their families and communities, and Oregon's Medicaid Maintenance of Effort and Olmstead



requirements. We ask that you steer clear of eliminating entire programs, or restricting access for entire populations of Oregonians in need. The reductions on the ODDS list contains unsustainable items, that would:

- Eliminate the Family to Family Networks cutting a critical lifeline for peer-support that families of children with disabilities use to avoid higher, more expensive levels of care, while raising children with high expectations to exercise self-determination in their lives, jobs, and goals. This is a general fund program, offering flexible supports for families who may or may not be Medicaid eligible.
- Eliminate parental income disregard for children, removing approximately 1/3 of the children (mainly middle-income families) from the DD service system. These children would still likely come to the DD service system when they turn 18, however, without stable supports leading up to that time, they may require more expensive services than they would have otherwise. This would require a change in eligibility that would impact Oregon’s Medicaid Maintenance of Effort requirements.

During the COVID-19 crisis, the Developmental Disability Service system has shown its strength with nimble, fast deployment of creative services that allow people experiencing IDD to remain stable and healthy while continuing to live dynamic lives in a safe, socially distanced manner:

- Providers realigned supports that stayed within values that kept people safe and healthy during this crisis and Direct Support Professionals (DSPs) showed up every day to provide vital support for the diverse population of Oregonians with IDD.
- Family Networks ensured that families had information and connection to avoid the dangers of isolation and burn-out during COVID-19 while building resilience among families who have children with disabilities.
- The DD system quickly deployed policy change to enhance people’s access to technology so people can stay connected to their friends, loved ones, medical providers and DD providers,
- The DD system also opened the door for families of minor children to have ready access funds to quickly purchase adaptive equipment, sensory items or other things to support them during the emergency.
- Case management entities ensured people had access to cleaning supplies and food while ensuring people’s medical needs and other support needs are met, helping people adapt to the changing pandemic, and maintaining Medicaid benefits.

We understand that cuts are necessary, however we urge you to spare services for individuals with intellectual and developmental disabilities, their families, workforce, and providers as much as possible. This community cannot bear the impact of additional funding cuts.

Respectfully,

Lois Gibson, *Oregon Resource Association*

Paula Boga, *The Arc Oregon*

Katie Rose, *Oregon DD Coalition*

Loralei LaVoie, *Community Provider Assoc. of OR*

Gabrielle Guedon, *Oregon Self Advocacy Coalition*

Cc: Senate President Peter Courtney
 Speaker Tina Kotek
 Sen. Sara Gelsler, Chair Senate Human Services
 Members of Senate Human Services Committee
 Rep. Tawna Sanchez, Chair House Human Services
 Members of House Human Services Committee
 Amanda Dalton, ORA Lobbyist
 Jack Dempsey, CPAO Lobbyist



Appendix Detailing Impacts of Rates and Services Reductions in Developmental Disability Services

The below provides specific examples of what each of the cuts would mean to the day-to-day services for the IDD community. We hope this information will guide your decision making and prioritization of necessary cuts.

Eliminating the planned provider rate increase will dangerously destabilize direct support provider agencies across Oregon, leaving them unable to secure and maintain staff to safely support Oregonians with I/DD. (\$10.5M)

- This would eliminate all attempts by the Legislature to increase the average DSP wages to \$15 an hour. Without this increase, our average wage will hold at \$14.38, and even more troubling it leaves the starting wage for this workforce at very close to minimum wage.
- Oregon’s minimum wage will increase by .75 cents per hour in July 2020, closing the gap between starting wages and minimum wages to cents, not dollars. DSP work is not minimum wage work. These are essential workers making life and death decisions and providing vital health and safety supports for this vulnerable population.
- Holding these funds compounds the impact of the proposed cuts. Providers were promised a 7% increase in July of 2020 to support increasing Direct Support Professional wages to combat the staffing crisis and compete with continued minimum wage increases.
- Agency I/DD providers are partners with the State of Oregon, and we rely on you for funding. The two most significant drivers in this funding are wages and hours of service. These two factors make up the majority of provider rates, so cuts have a direct impact on these factors. In turn, this impacts the quality of service each person receives. It is the way our funding is built.

Reducing Group Home & Supported Living Rates will sacrifice the health and safety of the Oregonians with I/DD living in Group Homes and those reliant upon Supported Living services. (3-9% cut totaling \$11.499M)

Phase one (3%) \$3.950M

Phase two (3%) \$3.832

Phase three (3%) \$3.717M

- These are vital services for people with significant support needs. Providers are already on the brink of closure with rates that are based on costing models that are over 10 years old. Funding is built on Direct Support Professional wages and the hours of support each person needs. There is nowhere else to cut, so there will be a direct, devastating impact on the quality of service if these reductions occur.
- Threatened and realized cuts in other services, as people with I/DD lose their jobs, employment supports and DSA services, create the need for increased staffing and therefore increased costs of serving people in Group Homes or Supported Living. Therefore, the actual fiscal impact on residential providers is even greater than the cuts suggest.
- These services are provided by a workforce that is already undervalued and underpaid. Providers already have difficulty finding a sufficient number of staff to keep people safe and supported. Further cuts will mean providers are forced to close their doors. This means people with I/DD will be at immediate risk and/or served in a much more costly manner like in hospitals, jails or state operated homes. Closure of these services is not an option.

Reducing Children’s Group Home Rates will undermine Oregon’s ability to adequately support our children in-state. (3-6% cut totaling \$638,396)

Phase one (3%) \$324,211



Phase two (3%) \$314,485

- Rate reductions have a direct effect on provider agencies' ability to provide quality services and the ability to pay the wages those providing these services deserve.
- Simply put, reductions mean there is less funding available to provide the hours of service a child needs and to pay Direct Support Professionals and other essential personnel to provide the service.
- The proposed reductions to these rates will undermine years of advocacy to pay the wages needed to hire and retain DSPs and address the long-standing workforce crisis in our field. This will not only stall our shared goal of raising DSP wages, it will take us years to recover from this set back. The workforce crisis will grow, further destabilizing this service. It will force providers to reduce or close services and place children at risk.
- These cuts will have devastating effects on our systems ability to survive the current health crisis and the long lasting projected aftermath.
- During the recent DHS "out of state" crisis in children's residential services, we stepped up as state partners to open more homes and keep kids safe in Oregon. These cuts will threaten this good faith effort and once again place children at risk.
- As state partner agencies close, fewer placements will be available forcing DHS to once again look at undesirable options like opening costly state operated homes or placing children out of state.

Reducing Agency-provided In-Home ADL/IADL service rates will create unsustainable hardship for agencies that provide on-the-ground safety support, resulting in closure for some providers. (3-9% cut totaling \$4.107M)

Phase one (3%) \$1.194M

Phase two (3%) \$1.1M

Phase three (3%) \$1.067M

- Rate reductions directly impact wages and quality of service. They will stall our shared efforts to move average DSP wages toward \$15 per hour and leave starting wages barely above minimum wage.
- These cuts will have devastating effects on our systems ability to survive the current health crisis and will leave people with I/DD and their families without support when they need us most.
- Agency providers may decide they cannot continue this service as it already operates on very thin margins. As your partners, providers cannot simply increase prices to offset rising expenses. We rely on you and funding increases to address the many increased costs of doing business in addition to wages.
- Families needing In Home Support services already struggle to find providers, and cuts will exacerbate that as fewer providers offer this service. This will leave families without options.
- Families will be left without support, placing people with I/DD at risk. Some will go into crisis, creating the need for more costly supports and placing additional strain on other parts of our fragile system.

Eliminating DSA Services will fail Oregonians with I/DD by keeping them in isolated in their homes, rather than building community connections and personal skills. (\$7.412M)

- DSA enriches people's lives and teaches basic skills of independence needed for community engagement and supports people to develop long lasting friends.
- For many, this is their only opportunity to get out of their homes and experience the community at large. Without this service people will become isolated and dependent.
- For individuals who lose DSA services and also live in 24 hours services, under the current REBAR funding model, eliminating these services is essentially a cost shift to the Provider Agency supporting the person at home. This funding is not built into the current residential models, as ReBAR is funded on the assumption that people will participate in other services (work or DSA) at least 5 hours per day.



Eliminating Employment Path Services will deprive the workforce of the contributions of Oregonians with I/DD, while denying people with I/DD the opportunity to grow into desired careers. (\$11.649M)

- Without work and training opportunities, many with IDD will lose jobs and opportunities to gain the skills they need to get one.
- Providers rely on this as a steppingstone for people to learn skills, and also to provide funding to bridge the gap until a person with I/DD can get a community job. Some providers will be forced to close their doors if this service is not available.

Reducing Employment Job Coaching will withdraw critical support from jobless Oregonians with I/DD in the face of record-breaking unemployment (5-9% cut totaling \$918,310)

Phase one (5%) \$521,767

Phase two (4%) \$396,543

- Like many American's, the vast majority of people with I/DD who were employed have been laid off. This means that they will need extra support when they are eventually called back to work, so the need for this workforce will be stronger than ever.
- As with all areas of our field, these positions are already underpaid and difficult to fill. This will just increase the shortage of these vital staff and will make it difficult for people with I/DD to remain employed.
- For providers who specialize in Employment Services, the margins are extremely thin. Cuts at this level will force some providers out of business, making it even more difficult for people with I/DD to get the support they need to be employed. It will become impossible for the state to continue to meet benchmarks from the Stahley settlement.

Eliminating the 2nd Year of Family to Family Networks will deprive Oregon's families of a trusted source of information, peer support, and community connection, whose impact far outstrips its budget cost. (\$667,372)

- Family to Family Networks recognize that we all thrive when families and communities work together to build a future where all people live full lives, use services effectively and support each other.
 - The 10 Networks cover 21 of Oregon's Counties encompassing 75% of Oregon's population. They engaged 12,500 families of children experiencing disability and 1,800 community partners.
 - The Family Networks make a difference by raising expectations that parents have for their children experiencing disability because we know the most powerful force in changing outcomes for young people with disabilities is found in the expectations and aspirations parents have for their children.
 - 3 out of 4 parents engaged with the networks now focus on their child's strengths and believe their children will earn a high school diploma, work at a paying job and live independently.
 - 5 out of 6 community partners are more aware of local resources and supports for families. They feel better able to support families now.
- the Family Networks leverage volunteers and community partnerships with minimal paid staff.

Eliminating the Parental Income Disregard when considering eligibility will force many Oregon families into untenable choices between preserving family integrity and adequately supporting children with I/DD. (\$3.403M)

- In an effort to support middle income families raise children with IDD at home consistent with DHS values, Oregon has a long-standing policy of only counting the child's income rather than the family income for eligibility for IDD services. Before this policy was implemented, many families had to destabilize their income by keeping one parent at home to care for the child, place their children in out of home crisis and long-term placements, hospitals and nursing homes simply to get the services the child needed to remain



healthy and safe. This fractured families, removed children from their home communities, and forced Oregon children to be raised in institutional settings like nursing homes – all things that are counter to DHS values.

- When families do not have supports to raise their children with IDD, you see high rates of divorce, families who are unable to pay their basic bills or care for their other children. In the end, experience tells us that many families will be forced to make the hard choice to place their child with IDD in a living situation outside the home because the family cannot keep them safe any longer. Fracturing families in this way has permanent negative impacts on the family, the child, and runs counter to basic IDD system values outlined in ORS 427.
- These families will most likely end up on Medicaid in a less stable situation through divorce, crisis and out of home placements for their children. This means the children will still be served eventually in the IDD system, but only after they are significantly worse off than they are today. Additionally, fracturing families, raising children out of their family home and destabilizing family incomes are against DHS values.
- DHS will eventually serve these children when they turn 18. Without consistent supports or stable families, these children will be in a much worse situation and require more support than they would have if they had been in the IDD system all along. This means Oregon potentially will have to expend more money to stabilize this population than it would have otherwise.

Reducing Year 2 Case Management funding by 5% will put additional strain on a workforce that stands as a frontline connection for people with I/DD living in communities across Oregon. (\$2.064M)

- DD case management was already funded at \$10m less than continuing service level for this biennium
- Cuts further destabilize our system and place additional strain on an already stretched support system for people with intellectual & developmental disabilities and their families.
- This reduction would cut funding for approximately 65 positions across the state, potentially driving up caseload sizes

Reducing the number of Host Homes from 140 to 30 will hinder the implementation of a cost-saving and innovative solution to the problem of serving children well outside of their family home. (\$3.691M)

- Fundamentally we all believe a child is best served when living with a family. Host homes will provide this option for children when they require out of home placements. As advocates we firmly believe this is a better way to deliver services and will provide more options for kids.
- We advocated for expanding children’s residential services to include Host homes and look forward to this expansion at some point, but under the current circumstances we understand that this may have to wait.

Reducing Rent Subsidy budget will drive up the number of people served in some Group Homes, increasing system costs in other areas. (\$433,185)

- On the surface these funds may seem minimal, however they have a significant impact on the lives of the people who benefit from the subsidy. These funds allow people to live with fewer roommates by offsetting the cost of rent. These smaller residential options are essential for many people with I/DD to live successfully.
- If these funds were to be eliminated, people would no longer be able to afford these homes and would be forced to move to homes with more roommates.



- Ultimately, this increases costs in other ways as this would cause people to experience anxiety and behavioral challenges that cost more to support. For many, this is avoided by maintaining smaller households.

Eliminating Relief Care in incremental steps will take away a release valve that people with I/DD and their primary caregivers need to maintain health and well-being. (Totaling \$10.793M)

- People use Relief Care to fill in for primary caregiver support when it is not available, and to maintain the health and well-being of both parties.
- It is used in crises when families are unable to be there for long periods due to illness. This is vital during the ongoing COVID-19 pandemic, as it can support families if parents or caregivers are quarantined or otherwise unavailable.
- Relief Care days are also used by people living at home who are in crisis or transitioning to 24-hour Residential Services; they may utilize 14 days for support at a Foster Care Home as a crisis stabilizes, or a new home situation is established. This is a critical time period for support.

Reducing Transportation Service rates will keep people from employment, families, friends, and community engagement. (4-9% cut totaling \$366,272)

Phase one (4%) \$156,532

Phase two (5%) \$209,740

- Current funding for transportation doesn't currently cover the need. This will further limit people's ability to get to work and connect in their communities.
- Public transportation has become very limited during the pandemic and for some is impossible to access (distance to stops, requirement to wear masks, etc.) which has increased the actual cost of transportation even further.

Reducing Behavioral Services by 9% will lengthen wait times and exacerbate provider shortages for a time-sensitive service needed to protect the safety of some people with I/DD and those around them. (\$50,060)

- This will increase wait times and reduce the number of Behavior Support Specialists available to children and families in need of this crucial support.
- Providing timely and effective behavior helps people avoid crisis, so a reduction in this service will increase risk for people in services, their families and their staff. It will drive people toward more costly options as crises erupt.
- A new Behavior Support Rule has recently added credentials that already make it difficult to hire people who meet the qualifications. Providers have had to increase wages to recruit for these positions which will become even more problematic if cuts occur.

Reducing Discovery service funding will remove a bridge to employment for many people with I/DD. (\$21,535)

- This service is already underfunded and agencies offering it operate it at a deficit. Further cuts may force agencies not to offer the service at all.
- For many, this service is a vital step in helping them determine their employment or educational interests. Without it, people will be less likely to succeed in these areas.

Eliminating Ancillary Services (vehicle mods, home mods, specialized supplies) will put the safety of many people with I/DD at risk, and increase the need for more costly :1 supports. (\$1.019M)

- Everyone has the right to be healthy and safe in their home and community. Ancillary services support people with IDD stay healthy and safe in their own or family homes and their community.



- These critical services allow people to have support to modify their home with ramps, grab bars, safe bathrooms and kitchens. They help people modify vehicles so people experiencing IDD can safely use or ride in the vehicle and access their community.
- Without a safe place to call home, people with IDD are at risk of being seriously hurt, losing their housing and requiring more expensive care

Eliminating the 2nd Year of Family Support will remove an essential tool for family stabilization and creative problem-solving. (\$540,038)

- Family support is a nimble, flexible pot of dollars that can be deployed rapidly to help the specific needs of a family.
- In addition to supporting 1,000 families to protect them from entering crisis or using more expensive services to support their children, during the COVID-19 crisis, the family support dollars were quickly opened to families receiving DD services so they could purchase additional things to support them while they are staying home and staying safe. Families purchased adaptive equipment, sensory materials and other items to support their children stay safe and healthy while they are spending this time at home.
- Family Support is one of the only pots of general fund dollars in the DD system which allows it to be so nimble to meet a range of needs and crises in families' lives. Without this resource, families may not be able to avoid crisis and will seek more expensive services.