

Position Paper of The Arc of Pennsylvania in Regards to Mental Retardation (MR)
COLA: annual Cost-of-Living Adjustment (COLA) for the MR Community

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Background

The lack of a guaranteed COLA for the MR system that keeps pace with healthcare inflation rates is a significant problem for families, consumers and providers. The cost of operating a community-based provider organization goes up every year. The cost of wages, salaries, benefits, fuel, insurances, transportation, food and other operating costs go up for community-based providers like any other Medicaid service provider. Unlike other organizations that rely on public funding, community MR providers are nearly 100 percent funded by public dollars, about 90 percent of which is Medicaid - a joint state and federal program. When public Medicaid dollars do not keep pace with inflation, there are no other significant private alternatives for cost shifting. The system must feed on itself to stay afloat, cutting into quality or service capacity, affecting all involved.

Staff is a significant component of any human service. The recruitment and retention of staff to provide direct care services to the Commonwealth's community-based programs or people with developmental disabilities has been a chronic problem. The demands of these positions are significant. The salaries for these positions have been documented at below poverty levels by both the Legislative Budget and Finance Committee and the Finance Committee of the Pennsylvania General Assembly. Personnel surveys conducted by provider organizations in Pennsylvania confirm these findings and document other facts, including the fact that positions in an agency may turn over as much as 50% or greater, annually, depending on the agency and where they are located in our state.

The problems with this scenario are apparent. It has become increasingly difficult to attract staff for these programs. Services lack continuity and the lives of people are seriously disrupted each time a staff position turns over. *Ongoing, stable relationships between staff and individuals with developmental disabilities are an important and necessary component of community-based services.* Moreover, new programs have difficulty staffing new services, thus delaying the initial delivery of these much-needed supports. In addition, staffing issues are interfering with serving people from the waiting list and those leaving state institutions when they are targeted for closure in a timely and effective fashion.

Staff vacancies are at a crisis stage in many provider programs and the health, safety and welfare of people with developmental disabilities is at stake. *In other words, the lack of a guaranteed COLA, which keeps pace with the rate of inflation, is also a significant family and consumer issue!*

Direct Support Professionals (DSPs) provide support from early ages (Early Intervention, Special Education, TSS, others) through adult life (DSPs in community homes, Case Managers) to the senior years/end stages of adult life (Aging Supports, other case management). Medicaid funded programs such as hospitals, managed care organizations,

and nursing homes receive increases annually that are at or above the cost of their respective industry's inflation. For community-based mental retardation services, the Federal CMS (Centers for Medicare & Medicaid) Home Health Market Basket Index (HHMBI) is the inflation factor that most closely resembles the MR system. It has been in the range of 3-4% annually in recent years. The community MR system feels the normal inflationary pressures like any other health and human services system, but state budget makers have not seen fit to increase public dollars to account for that inflation on a consistent basis. This has been an ongoing problem for the past ten years and beyond, as no COLA in recent memory has exceeded 2%.

There are several other issues that are noteworthy regarding the MH/MR COLA. One is the recent increase of the state and likely passage of the Federal minimum wage (\$7.15 per hour as of July 1, 2007). This makes it more difficult to keep pace with other employers in the private and public sector. Many Direct Support Professionals (DSPs) have wages that are just above the minimum wage. Second, it is important to establish and maintain both an educated and quality workforce. It is estimated that 20-25% of DSPs have a Bachelor's Degree and most others have Associates Degrees or other post-secondary training (certificates, credits, etc.). Most DSPs enjoy much of their work in the MR system, but find that they must move into other employment to sustain a reasonable standard of living, particularly to repay student loans, become homeowners and meet other family obligations. Lastly, DSPs in the MR system are required to enhance their ability to serve this population by obtaining 24 hours of training annually in order to meet the current state regulations.

The Arc of Pennsylvania's position

The Arc of Pennsylvania supports the inclusion of real COLAs in the state budget for the MR community system. The Arc of PA believes such a COLA ought to be based on documented inflation in the home and community-based services industry, like the one included in the Federal CMS HHMBI (between 3-4% over the past seven years). The Arc of PA also believes that state legislation is needed to compel the Governor to propose such a real COLA in his annual budget proposal. History has shown that governors on their own have failed to adequately address COLAs in their budget without legislation. Adequate funding must be available to self-determination models and all community based services options. COLAs must be given to all community providers, including self-determination models of support. The COLA issue is not just a provider issue, but a consumer and more importantly, a family issue.